

MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney
Essie McGuire, Senior Legislative Analyst *Bulger*

SUBJECT: **Action:** Expedited Bill 17-12, Fire and Rescue Service – Emergency Medical Services - Reimbursement

Public Safety Committee recommendation: do not enact Bill 17-12 (2-1, Councilmember Elrich dissenting). If the Bill is enacted, adopt Executive and Committee amendments included in Committee redraft (3-0).

Expedited Bill 17-12, Fire and Rescue Service – Emergency Medical Services - Reimbursement, sponsored by the Council President at the request of the County Executive, was introduced on April 24, 2012. A public hearing was held on May 8 and a Public Safety Committee worksession was held on May 11.

Introduced Bill Expedited Bill 17-12 would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports. This Bill is essentially identical in all material respects to Bill 13-10, which the Council enacted on May 19, 2010, but the voters rejected in a referendum in November 2010 (see ballot and petition language on ©55-56).

Executive amendments On May 8 the Executive submitted an amended Bill. (See the Executive's explanatory memo on ©59-60.) The Executive's amendments clarify, but do not substantially change, the central elements of the introduced Bill. They also add provisions that would authorize the Executive to conduct an outreach and information campaign to publicize the reimbursement program, and would create a Patient Advocate position in the Office of Consumer Protection.

Public hearing testimony Attached on ©18-54 are selected representative public hearing testimony and related letters, including two from regional advisory boards which endorsed this Bill. Much of the testimony at the May 8 hearing repeated viewpoints about this fee which the Council has heard many times before.¹ The most notable new testimony came

¹Much of the testimony from opponents of this Bill centered on the theme of "Respect the Voters", which would treat as binding on the Council and Executive, for some unknown period of time, the 2010 voters' rejection of the previous EMST fee law. In Council staff's view, this argument carries weight but should not be conclusive. There is no legal bar to the Council enacting a similar, or even identical, law post-referendum. Presumably, no one would

from fire chiefs in 3 nearby jurisdictions (Fairfax County, Anne Arundel County, and Prince William County) which have adopted similar fees; in each case the Fire Chief reported that the fees have been successfully implemented and have not resulted in negative consequences. See Prince William County and Anne Arundel County testimony on ©35-46.

Committee worksession At its May 11 worksession on this Bill, the Public Safety Committee discussed and recommended adoption of the amendments submitted by the Executive, with minor modifications, and other amendments before recommending (2-1, Councilmember Elrich dissenting) that Bill 17-12 not be enacted. All Committee members agreed that, if the Council enacts the Bill, it should be enacted with the Executive and other Committee amendments shown on ©1-4B. *Committee members directed Council staff to work with Executive branch staff to draft several amendments after the worksession; these are shown on ©62-65, and have not been approved by Committee members.*

Budget Assumptions and Implications

The Executive submitted budget information and a proposed amendment to this Bill to clarify the relationship of the EMST reimbursement revenue to the FY13 and future budgets. The proposed amendment would specify that the “revenues collected from the emergency medical services transport reimbursement must be used to supplement, and must not supplant, Fiscal Year 2012 expenditures for emergency medical services and other related fire and rescue services provided by the Fire and Rescue Service.”

The Executive also submitted (see ©17) a spreadsheet detailing eligible FRS expenditures in FY13-18. For FY13, the spreadsheet lists the elements of the FY13 recommended budget increase for MCFRS, which totals \$16.7 million. The net available revenue from the reimbursement (less implementation costs) is projected to start at \$8.6 million in FY13 and increase to \$18.4 million in FY18.

The Executive’s approach to use of the EMST revenue would establish FY12 MCFRS expenditures as the base that must not be supplanted. In FY13, the projected available EMST reimbursement revenue of \$8.6 million is less than the recommended MCFRS budget increase of \$16.7 million. The FY13 budget increase does not reflect an increase in service capacity or delivery. Rather, it more fully funds the currently approved level of service delivery by restoring lapse and overtime reductions, among other personnel adjustments.

In future years, the MCFRS budget could be limited to only the amount of the available EMST reimbursement revenue above the FY12 expenditure base and still meet the Bill’s non-supplantation requirement. While the Executive’s spreadsheet on ©17 identifies other potential eligible Fire and Rescue Service expenditures in FY14-18, such as apparatus and facilities, the

argue that the Council is forever bound not to do so, so the question is what period of time constitutes a “decent interval” before the Council should revisit the issue. The Executive’s view, emphasizing recent state and County fiscal developments, is that now is not too soon. Just as a party in a court case can seek reconsideration of a seemingly erroneous court decision, we think the Council, and potentially the voters, can fairly be asked to reconsider their initial decision on this issue when circumstances warrant.

Bill as amended would not require these expenses to be funded by EMST revenue. A \$16-18 million increase above the FY12 MCFRS budget level could be met by continuing to fund the ongoing FY13 elements. It could also support future years' negotiated compensation agreements, among other expenses.

The Executive's approach is the most fungible use of the EMST revenue; it offsets the need to use general fund revenue to fund base expenditures in the MCFRS budget. However, **it does not necessarily translate into increased Fire and Rescue services in FY13 or any future year.** The Executive's March 15 budget submission funded the \$16.7 million increase to MCFRS within its balanced revenue assumptions. In his April 26 budget amendments, the Executive added the projected \$8.6 million revenue to his resource assumptions, but only identified \$954,450 in associated expenditures needed to implement the EMST reimbursement program. As a result, the Executive's budget contains \$7.6 million in unallocated revenue which he currently carries as an FY13 end of year fund balance in the Fire Fund.

Revenue use options/Committee recommendations

If the Council enacts an EMST reimbursement program, Councilmembers could select any of the following **4 options** to use the resulting revenue.

1) Treat the funds as a fungible revenue source for any fire service expenditure above the FY12 base budget level, as the Executive recommended. This allows the most flexible use and offset of the revenue. It primarily supports the FY13 recommended base budget level and can allow, but does not necessarily result in, increased services in the future.

2) Keep the funds as a fungible resource for fire services, but require the Council to specify in the operating budget appropriation resolution each year how the reimbursement must be allocated. This allows flexible use of the revenue but would provide increased accountability regarding use of the funds and ensure that the revenue could only be used for purposes agreed to by the Council. This would be a year-to-year approach, and would not let the Council allocate the funds over any multi-year period.

3) Create a special dedicated fund or account to use the revenue. This option would assure that the revenue would fund specific fire and emergency service purposes, and would let the revenue roll over from year to year. Council staff recommends that the fund, if it is created, be dedicated to fire and rescue infrastructure, including equipment, apparatus, and facilities. The fund could have an associated revenue and expenditure fiscal plan, which would let the Council plan how to fund multi-year projects and needs.

4) Require the revenue to be used in the Capital Improvements Program (CIP). In addition to facility construction, many infrastructure items are or have been funded in the CIP, such as apparatus purchases and the current Public Safety System Modernization project. This option would let the Council support major capital investments with EMST reimbursement revenue and also would facilitate multi-year planning.

Council staff recommended either option 3 or 4, preferably option 3. Both of these options give the Council the most authority to direct the EMST reimbursement revenue and to plan for multi-year infrastructure needs that otherwise could be difficult to fund in the future. Both also closely correlate with the generally understood purpose of the reimbursement program: to fund fire and rescue service needs. While they do not offer the immediate budget offset that the Executive recommended, these options anticipate that the cost of eventual future infrastructure investments could be addressed with this revenue stream rather than tax dollars.

Committee discussion During the Committee discussion, Executive branch staff indicated general agreement with Council staff's recommended approach in Option 3 to create a special fund or account for the EMS reimbursement revenue for dedicated fire and rescue purposes. However, Executive staff agreed to amend this provision to make the FY13 Council appropriation the base for non-supplantation going forward, rather than FY12, and exclude from this base the FY13 EMST revenue.

For FY13 this approach does not provide additional revenue flexibility, nor does it create a gap. The Council would fund the FY13 MCFRS budget as recommended by the Executive on March 15 and endorsed preliminarily by the Council. The Council would then need to return to appropriate any FY13 EMST revenue for fire and rescue services for purposes such as those listed on ©61.

Committee members endorsed this option and directed Council staff to work with Executive staff to refine parameters for use of this revenue. For this amendment, after discussions with Executive staff, Council staff offers two options, which are discussed below. Both options are shown in Amendment 1 on ©62. **In deciding between these options, the threshold question is whether the EMST revenue should be used for any personnel costs, which are ongoing, or be used only for infrastructure expenditures. Committee members did not agree on this question but emphasized their intent that the revenue supplement, and not supplant, existing services.**

- **Option A: Allow EMST revenues to be used for personnel costs as well as other purposes.** This approach was recommended by the Executive and is reflected in the list of potential FY13 items on ©61. As the Committee requested, appropriating EMST funds for personnel costs in the form of new or restored services (opening new Fire Station #32, restoring recently reduced services such as EMS units, or phasing in 4-person staffing) would not supplant the currently approved level of service. It would also allow the County to more quickly add or restore these items than might otherwise be possible.

While this approach provides additional services in the near term, personnel costs will then become an ongoing and growing expenditure for this revenue stream. For example, if \$1.3 million is used for personnel in FY13 (as sought on ©61 for service restoration) then these personnel will require a growing share of County revenue in future years.

- **Option B:** Allow EMST revenues to be used for only fire and rescue infrastructure, such as equipment, apparatus, facilities, or other “hard goods” purchases (including associated future debt service). This would give the Council the ability to plan for multi-year infrastructure needs that otherwise could be difficult to fund in the future. This option anticipates that the cost of eventual future investments could be addressed with this revenue rather than tax dollars.
- **A third option C would be for the Council to set a cap on the level of EMST revenue that can be used for personnel costs (for example, no more than 30%).** This would let the revenue support needed service priorities in the near term while preserving future flexibility for one-time infrastructure investments.

Council staff continues to recommend option B, but would prefer option C over option A.

If the Council agrees to make FY13 the base year for non-supplantation and to dedicate the revenue for fire and rescue services, **Council staff recommends** that the Council not assume this revenue and not appropriate any associated expenditures until the outcome of a potential referendum is clear. This would leave the EMST costs and revenues out of the FY13 budget approved this month, instead to be addressed in supplemental action this fall.

The Executive initially assumed that the EMST revenue will be available as general fund revenue in FY13. The Council could decide not to restrict use of FY13 revenue but set funding parameters and structure for future years. If the Council wants to take this approach as originally proposed by the Executive, then the revenues would be assumed to fund part of the recommended increase to the FY13 base.

Under any scenario Council staff will work with OMB on the budget assumptions and draft budget resolution language that reflects the Council’s intent for FY13 revenue.

Other issues/Committee recommendations

New patient advocate The Executive’s amendments would create a patient advocate position in the Office of Consumer Protection. However, this position is not reflected in the implementation budget on ©17 or in any of the Executive’s budget submissions. Since this position would be offset by the anticipated revenue, if the Council enacts this Bill with this position authorized, the Executive could submit the position as an additional budget amendment and it could be included in the appropriate budget during reconciliation.

Reimbursement for volunteer activities This issue was raised at the public hearing by Fire Chiefs from nearby jurisdictions and in Councilmembers’ discussion with speakers. Since volunteer corporations provide emergency medical transport services as part of MCFRS, it seems reasonable to discuss whether some of the EMST reimbursement revenue should support volunteer services or resources. In contrast to many other jurisdictions, the County allocates significant tax-supported funding for volunteer operations. The notable exception among local

fire and rescue departments is the Bethesda-Chevy Chase Rescue Squad, which is self-supporting. Council staff recommended that the Council examine options to allocate a share of the reimbursement revenue to fund volunteer services, including training, gear, equipment, or other resources.

The Committee recommended allocating a share of the revenue to support volunteer services and resources. **Council staff recommends** Amendment 2 on ©63 to accomplish this goal. This amendment would let the Council annually dedicate a portion of the fund to replace or augment core aspects of fire service delivery that volunteers provide. This approach would reduce the pressures on LFRD funds by supporting expensive investments that are most difficult for LFRD's to fund, such as apparatus and gear.

Sunset One option, as with any new program, is to include a sunset provision in the law, under which the fee and program would expire on a certain date. This would allow the Council to evaluate the effect of the EMST reimbursement program in, say, 3 years and decide whether to continue or modify it. The Committee did not discuss this option.

Use of public funds Committee members directed Council staff to draft an amendment that would prohibit the County and any recipient of County fire service funds from using public funds, resources, or employees to influence the vote on any potential referendum on this Bill if it becomes law. As discussions with the County Attorney and among Council legal staff concluded, drafting an amendment that is both even-handed and effective, and that does not impinge on private parties' First Amendment rights, is legally challenging. Amendment 3 on ©64-65 attempt to achieve those goals, but arguably may not do so. One factor that adds to the difficulty is that, as of next fiscal year, County funds will not be directly appropriated to any local fire and rescue department, although they will be appropriated to the County Volunteer Fire and Rescue Association.

Potential Charter amendment Councilmember Leventhal has proposed (see memo and draft amendment, ©57-58), as an alternative to this Bill, an amendment to the County Charter that would exempt from the Charter's current annual limit on property tax revenues any fire tax used to fund County fire and rescue services. Besides the budget of the Fire and Rescue Service per se, including funds that support local fire and rescue departments, this funding could include, debt service for fire-related capital items. If the Council proposes and the voters approve this amendment, the Council each year would decide how much of the Fire and Rescue Service budget (not necessarily all) would be funded by the fire tax. If this approach is preferred to the fee proposed by this Bill, rather than be applied in conjunction with the proposed EMST fee, the effect would be to substitute County property tax for reimbursements from insurance, Medicare, and Medicaid.

Charter amendment process Although a public hearing is not required before the Council puts a Charter amendment on the ballot, customarily the Council holds a hearing in June of each even-numbered year on any Charter amendment proposed by the Charter Review Commission and any other amendment proposed by a Councilmember or anyone else. This year the Commission did not recommend any amendments. The Council could (and we think should) schedule a hearing on this amendment. After the usual hearing is held, the Council schedules a

worksession, normally in early or mid-July, to discuss any pending amendments. The Council then decides, before taking its August recess, on which if any amendments to place on the November ballot. That decision is required under state law by the second week of August.

This packet contains:

	<u>Circle #</u>
Expedited Bill 17-12 with Committee amendments	1
Legislative Request Report	5
Memo from County Executive	6
Fiscal Impact Statement	9
Economic impact statement	13
Budget information – memo from Executive	15
Selected public hearing testimony	18
Letters from Citizens Advisory Boards, Silver Spring VFD	52
2010 referendum ballot question	55
Charter amendment memo from Councilmember Leventhal	57
Executive's amendments -- memo	59
Fy13 proposed appropriations	61
Amendment 1 – use of EMST funds	62
Amendment 2 – fund allocation to LFRD's	63
Amendment 3 – use of public funds	64

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Expedited-Bill No. 17-12
Concerning: Fire and Rescue Service –
Emergency Medical Services –
Insurance Reimbursement
Revised: 5/11/12 Draft No. 3
Introduced: April 24, 2012
Expires: October 24, 2013
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the County Executive

AN EXPEDITED ACT to:

- (1) authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports;
- (2) provide for a schedule of emergency medical services transport reimbursement charges, waiver criteria, permitted uses of reimbursement revenues, and other procedures to operate the emergency medical services reimbursement program;
- (3) prohibit a Local Fire and Rescue Department from imposing a separate emergency medical services transport reimbursement;
- (4) require the Executive to issue certain regulations to implement an emergency medical services transport reimbursement program;
- (5) require a certain annual transfer be made as payment of residents' uninsured portion of the emergency medical services transport reimbursement; ~~[[and]]~~
- (6) provide that County residents will pay no out-of-pocket expenses for an emergency medical services transport;
- (7) prohibit Fire and Rescue personnel who respond to a request for an emergency medical services transport from asking for any information relating to an individual's insurance coverage;
- (8) establish a Patient Advocate in the Office of Consumer Protection;
- (9) require the Fire Chief to report semiannually to the County Executive and County Council regarding implementation of this Act;
- (10) require the County to conduct a public outreach and education campaign; and
- (11) generally amend County law regarding the provision of emergency medical services.

By adding

Montgomery County Code
Chapter 21, Fire and Rescue Service
Section 21-23A. Emergency Medical Services Reimbursement Program

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 21-23A is added as follows:**

2 **21-23A. Emergency Medical Services Transport Insurance Reimbursement**
 3 **Program.**

4 (a) Obligation to Transport.

5 (1) The Fire and Rescue Service must provide emergency medical
 6 services transport under applicable medical protocols to each
 7 individual without regard to the individual's ability to pay.

8 (2) Any personnel of the Fire and Rescue Service who respond to a
 9 request for an emergency medical services transport must not ask
 10 for any information relating to an individual's insurance
 11 coverage.

12 (b) Definitions. In this Section the following terms have the meanings
 13 indicated:

14 (1) Emergency medical services transport means transportation by
 15 the Fire and Rescue Service of an individual by ambulance or
 16 other Fire and Rescue Service vehicle used for a similar purpose.
 17 Emergency medical services transport does not include
 18 transportation of an individual under an agreement between the
 19 County and a health care facility.

20 (2) Federal poverty guidelines means the applicable health care
 21 poverty guidelines published in the Federal Register or otherwise
 22 issued by the federal Department of Health and Human Services.

23 (3) Fire and Rescue Service means the Montgomery County Fire and
 24 Rescue Service and includes each local fire and rescue
 25 department.

26 (4) Program means the Emergency Medical Services Transport
 27 Insurance Reimbursement Program.

(c) Imposition of reimbursement. The County must impose a reimbursement charge for any emergency medical service transport provided in the County, and, unless prohibited by other law, outside the County under a mutual aid agreement.

(d) Liability for Reimbursement. Subject to paragraph (e), each individual who receives an emergency medical services transport is responsible for paying the emergency medical services transport reimbursement.

(e) Hardship Waiver.

(1) The Fire Chief must waive the emergency medical services transport reimbursement for any individual whose household income is at or below 300 percent of the federal poverty guidelines. An individual must request a waiver on a form approved by the Fire Chief.

(2) The Fire Chief may deny a request for a waiver if the individual who claims financial hardship under this Section does not furnish all information required by the Fire Chief.

(f) County Residents - Payment of [[Residents']] Uninsured Portion of the Emergency Medical Services Transport Reimbursement.

(1) County residents must not be required to pay any out-of-pocket expense relating to any emergency medical services transport because residents are deemed to have paid any co-payment, deductible, or uninsured portion of the cost of each emergency medical services transport through taxes paid to the County.

[[(1)] (2) Tax revenues the County receives must be treated as payment, on behalf of County residents, of the balance of each resident's portion of the emergency medical services transport

reimbursement charge that is not covered by the resident's insurance.

~~[[(2)]]~~ (3) The County Council must annually transfer from the General Fund to the Consolidated Fire Tax District Fund an amount that the Council estimates will not be covered by residents' insurance as payment of all residents' uninsured portion of the emergency medical services transport reimbursement charge.

(g) *Restriction on Local Fire and Rescue Departments.* A local fire and rescue department must not impose a separate charge for an emergency medical transport.

(h) *Use of Revenue.*

(1) Except for the transfer received from the General Fund under subsection (f), the revenues collected from the emergency medical services transport reimbursement must be used to supplement, and must not supplant, ~~[[existing]]~~ Fiscal Year 2013 expenditures appropriated in the annual operating budget resolution for emergency medical services and other related fire and rescue services provided by the Fire and Rescue Service.

(i) *Regulations; Reimbursement Schedule.* The County Executive must adopt a regulation under method (2) to implement the emergency medical service transport reimbursement program. The regulation must establish a reimbursement schedule based on the cost of providing emergency medical services transport. The reimbursement schedule may include an annual automatic adjustment based on inflation, as measured by an index reasonably related to the cost of providing emergency medical services transports. The regulation may require each individual who receives an emergency medical services transport

to provide financial information, including the individual's insurance coverage, and to assign insurance benefits to the County.

(j) Reporting.

The Fire Chief must submit a report to the County Executive and County Council not later than January 1 and July 1 of each year regarding implementation of the Program. The report should include:

- (1) the number of calls for emergency medical services during the reporting period;
- (2) the number and type of emergency medical services provided during the reporting period; and
- (3) any other information relating to implementation of the Program that the County Executive or County Council request.

(k) Patient Advocate.

The Office of Consumer Protection must employ a Patient Advocate to:

- (1) develop and implement a program for customer service as a part of the Program;
- (2) develop and staff a help desk for questions regarding the Program; and
- (3) serve as a liaison with any vendor retained by the County to implement the Program to assure high quality customer service and prompt resolution of questions and concerns.

(l) Outreach and Education Campaign.

The County Executive must implement a public outreach and education campaign before and during implementation of the Program. This campaign should include:

- (1) informational mailers to County households;

- (2) distribution of information through County internet and web-based resources;
- (3) radio and television public service announcements;
- (4) news releases and news events;
- (5) information translated into Spanish, French, Chinese, Korean, Vietnamese, and other languages, as needed;
- (6) extensive use of County Cable Montgomery and other Public, Educational, and Government channels funded by the County;
- (7) posters and brochures made available at County events, on Ride-On buses and through Regional Service Centers, libraries, recreation facilities, senior centers, public schools, Montgomery College, health care providers, hospitals, clinics, and other venues; and
- (8) special outreach to senior and "New American" communities.

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on January 1, 2013.

Sec. 3. Implementation.

The County may collect the emergency medical services transport reimbursement authorized by County Code Section 21-23A, enacted by Section 1 of this Act, ~~[[may be collected]]~~ for any emergency medical services transport that occurs on or after July 1, 2012. ~~[[Collection]]~~ The reimbursement may ~~[[occur]]~~ be collected retroactively to ~~[[that]]~~ July 1, 2012, or any later date during the first fiscal year the emergency medical services transport ~~[[fee]]~~ reimbursement is implemented.

LEGISLATIVE REQUEST REPORT

Expedited Bill 17-12

Fire and Rescue Service – Emergency Medical Services - Reimbursement

- DESCRIPTION:** This Bill would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports.
- PROBLEM:** In order to meet current fiscal challenges facing the County, including the shift of teacher pension costs to the County and substantial changes to the County's obligation to fund public schools under the State maintenance of effort law, the County must increase the amount of revenue available to maintain core fire and rescue services.
- GOALS AND OBJECTIVES:** To enhance the amount of revenue available to support core fire and rescue services.
- COORDINATION:** Office of Management and Budget; Department of Finance; Fire and Rescue Service.
- FISCAL IMPACT:** To be requested.
- ECONOMIC IMPACT:** To be requested.
- EVALUATION:** Subject to the general oversight of the County Executive and the County Council.
- EXPERIENCE ELSEWHERE:** Many jurisdictions in the region have the authority to seek an emergency medical service transport reimbursement.
- SOURCES OF INFORMATION:** Joseph Beach, Director of Finance
Kathleen Boucher, Assistant Chief Administrative Officer
Richard Bowers, Chief, Fire & Rescue Service
Marc Hansen, County Attorney
- APPLICATION WITHIN MUNICIPALITIES:** Yes.
- PENALTIES:** Not applicable.

Bill



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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 12, 2012

RECEIVED
MONTGOMERY COUNTY
GOVERNMENT

2012 APR 13 AM 10:13

TO: Roger Berliner, Council President

FROM: Isiah Leggett, County Executive *Isiah Leggett*

SUBJECT: Expedited Legislation - Emergency Medical Services (EMS) Reimbursement Act

I am attaching for Council's consideration an expedited bill which creates an Emergency Medical Services (EMS) Reimbursement Program under which the Fire and Rescue Service is authorized to seek reimbursement for the cost of EMS transport services provided to County residents from commercial insurers, Medicare, and Medicaid. Based on 2010 projections, EMS reimbursements are expected to generate \$14 to \$17 million annually. We are in the process of updating these projections and will provide them to Council in the very near future.

The bill is necessary to address unprecedented fiscal challenges facing the County as a result of the General Assembly's 2012 Regular Session and the 2012 Special Session that will inevitably be convened to complete work on the Budget Reconciliation and Financing Act (BRFA) and other budget related items. We simply can no longer afford to let millions of dollars go uncollected each year. It is fundamentally wrong for County taxpayers to foot the bill for costs that are covered by insurers in most jurisdictions in Maryland, the Washington Metropolitan area, and the nation.

If the State finalizes the budget "deal" reflected in the Conference Committee Report for the BRFA (Senate Bill 152), the deal will result in a massive and immediate shift of the State's teacher pension costs to counties that will cost Montgomery County \$27 million in FY13 (50% of normal cost) and significantly more in the following three fiscal years (65%, 85%, and 100% of normal costs, respectively) until the cost reaches \$50 million in FY16. Regrettably, this unprecedented and troublesome cost shift does nothing to improve the sustainability of State pension funding and bizarrely reallocates these costs away from the governmental entity which has complete control over benefit levels and investment decisions (i.e., the State).

The State has already enacted legislation (Senate Bill 848) that imposes an inflexible Maintenance of Effort (MOE) requirement that essentially places half the County budget "off limits" for spending reductions, restricts flexibility in dealing with economic

downturns, and likely will require the County to put millions of dollars more into reserves to preserve the County's Triple-A bond rating. The bill completely transforms MOE from a condition that a County must meet to receive State funding to a complete State takeover of County budget decision-making by making both the local share of foundation funding and each year's MOE target as absolute requirements, and backing these mandates up with authority to raid County income taxes.

In addition to the State's seismic shift of teacher pension costs and inflexible MOE mandate, the State has continued an additional \$8.2 million cost shift relating to the State Department of Assessments and Taxation (\$5.3 million) and MCPS/Montgomery College retirement administration (\$2.9 million) which began in FY12. All of these costs are paid by County taxpayers.

The State has also reduced aid for community colleges, police, open space, health, and library services by \$9.4 million in FY13. Taken together, the State's FY13 cost shifts and aid reductions for Montgomery County total \$44.8 million. These FY13 actions follow dramatic reductions in State aid for community colleges, police, open space, health, libraries, and highway user revenues in FY10, FY11, and FY12.

In light of the historic – albeit lamentable -- realignment of State and County roles and obligations reflected above and the resulting financial obligations for the County, there should be no doubt whatsoever that the EMS reimbursement program is needed to fund fire and rescue services in the County and that emergency response services to residents will be impaired if the program is not established immediately.

EMS reimbursement programs are widely employed throughout the nation and by local governments in Maryland and throughout the Washington region. The EMS reimbursement program seeks no reimbursement from County residents themselves. When County residents receive EMS services, the County will seek reimbursement only from commercial insurers, Medicare, or Medicaid in the same way that a doctor's office seeks reimbursement for the cost of health care services provided to a patient. However, unlike the normal doctor's office situation, County residents will not pay any out of pocket expenses for co-pays or deductibles.

Without the EMS reimbursement program, the County will face stark choices that will result in: (1) significant and painful service reductions in the Fire and Rescue Service or other vital programs; or (2) tax increases for County residents and businesses. Increasing taxes further on top of the dramatic tax increases imposed by the State this year would further damage the County's competitiveness in attracting and retaining business, as well as further burden County households. Reducing Fire and Rescue Services or other vital County programs after several years of programmatic reductions would seriously threaten the County's ability to meet some basic needs.

To provide the Council with a complete picture of the EMS reimbursement program created by this bill, I am attaching a copy of the proposed Executive Regulation to

Roger Berliner, Council President
April 12, 2012
Page 3

implement the fee. This proposed regulation will be published in the May 2012 County Register and submitted to Council after the 30-day public comment period ends on May 30.

On a related note, we are also in the process of preparing budget amendments to reconcile assumptions reflected in my March 15 recommended budget with final State action on the FY13 budget.

Attachments (3)

cc: Joseph Beach, Director, Finance Department
Timothy Firestine, CAO
Jennifer Hughes, Director, OMB
Kathleen Boucher, ACAO
Richard Bowers, Fire Chief, MCFRS
Marc Hansen, County Attorney



ROCKVILLE, MARYLAND

MEMORANDUM

May 3, 2012

TO: Roger Berliner, President, County Council

FROM: *Alison*
Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECT: Bill 17-12E Emergency Medical Services Reimbursement Act

Attached please find the fiscal and economic impact statements for the above referenced legislation.

I have also attached a copy of the April 26, 2012, EMS Transport Revenue Projections report prepared by Page, Wolfberg, & Wirth.

JAH:aw

c: Kathleen Boucher, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Joseph F. Beach, Director, Department of Finance
Marc Hansen, County Attorney
Richard Bowers, Chief, Department of Fire and Rescue Service
Scott Graham, Department of Fire and Rescue Service
Dominic Del Pozzo, Department of Fire and Rescue Service
Patrick Lacefield, Director, Office of Public Information
Naeem Mia, Office of Management and Budget
Alex Espinosa, Office of Management and Budget
Amy Wilson, Office of Management and Budget

Fiscal Impact Statement
Council Bill 17-12E – Emergency Medical Services (EMS) Reimbursement Act

1. Legislative Summary.

This Bill would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports. This bill would also provide for a schedule of emergency medical services transport reimbursement charges, waiver criteria, permitted uses of reimbursement revenues, and other procedures to operate the emergency medical services reimbursement program.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

Projected revenues are based on a mix of four payer types: Medicare, Medicaid, Commercial/Auto Insurance and Self Pay and average revenue per transport rate of \$265 in FY13 up to \$291 in FY18 and a Montgomery County Fire and Rescue Service (FRS) estimated transport volume of 64,700 for FY13 which is expected to increase to 68,000 in FY18. Assuming implementation of the reimbursement charge January 1, 2013, FY13 revenues are estimated to be \$8,557,640.

Three additional full-time personnel are needed to implement the program: one Manager of Billing Services to manage internal County billing issues; one Accountant/Auditor; and one Administrative Specialist. The FY13 salary and benefits are estimated to be \$258,780.

Estimated operating expenses for FY13 total \$695,670 and are comprised of third party contract expenditures of \$470,670 (5.5% of gross revenues collected); \$200,000 for community outreach activities in FY13, reduced to \$25,000 in FY14-18; and \$25,000 in FY13 for training. Total annual operating expenses are dependent, in part, on the negotiated fee for the third party contractor who will manage the billing program on behalf of the County. Costs of community outreach will be reduced after the initial year of implementation because the need for these outreach activities will not be as significant when the program is fully operational.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

	FY13*	FY14	FY15	FY16	FY17	FY18	TOTAL
Revenue Projections	\$8,557,640	\$17,619,696	\$18,100,911	\$18,628,920	\$19,188,329	19,759,903	\$101,855,399
Implementation Costs	\$954,450	\$1,252,860	\$1,279,330	\$1,308,370	\$1,339,140	\$1,370,570	\$7,504,720
Available Revenue	\$7,603,190	\$16,366,836	\$16,821,581	\$17,320,550	\$17,849,189	\$18,389,333	\$94,350,679

*FY13 revenue estimate assumes implementation of the reimbursement charge on January 1, 2013. Third party contract billing expenses are pro-rated based on implementation of the reimbursement charge, and all other expenditures are full-year

costs in FY13. Net revenue available after implementation/administration costs will be allocated to eligible expenditures.

- 4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

Not Applicable.

- 5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Not Applicable.

- 6. An estimate of the staff time needed to implement the bill.**

It is expected that three additional full-time personnel will be needed for implementation: one Manager of Billing Services; one Accountant/Auditor; and one Administrative Specialist.

- 7. An explanation of how the addition of new staff responsibilities would affect other duties.**

The staff time required to implement the bill would be handled by the new positions identified above and therefore would have no impact on other duties.

- 8. An estimate of costs when an additional appropriation is needed.**

An additional appropriation of \$954,450 is needed in FY13 to implement the program.

- 9. A description of any variable that could affect revenue and cost estimates.**

Variables that could affect the estimated revenues and costs include fee rates charged, documentation to support billing, changes in Medicare and Medicaid reimbursement rates and regulations, changes in private insurance market rates, the number of transports performed annually by the FRS, changes in local health care costs, and the negotiated fee associated with third party billing.

- 10. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not Applicable.

- 11. If a bill is likely to have no fiscal impact, why that is the case.**


Not Applicable.

- 12. Other fiscal impacts or comments.**

While the proposed legislation permits retroactive collection of transport reimbursements to July 1, 2012, the fiscal impact statement assumes collection would not actually begin until January 1, 2013.

13. The following contributed to and concurred with this analysis:

Scott Graham, Department of Fire and Rescue Service
Dominic Del Pozzo, Department of Fire and Rescue Service
Amy Wilson, Office of Management and Budget.



Jennifer A. Hughes, Director
Office of Management and Budget

5/3/2012
Date

Economic Impact Statement
Emergency Medical Services Transport Reimbursement Act
Council Bill 17-12E

1. The sources of information, assumptions, and methodologies used.

Bill 17-12E, Emergency Medical Services Transport Reimbursement, would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical service transports. This bill would also provide for a schedule of emergency medical services, transport reimbursements, waiver criteria, permitted uses of the revenues collected and other procedures to operate the program.

According to the Fiscal Impact Statement prepared by the Office of Management and Budget, it is estimated that the subject legislation would authorize collection of gross revenue of over \$17 million annually (when fully operational) and nearly \$102 million in the FY13-18 period. The revenue would largely be generated through payments made from residents and visitors from Medicare and Medicaid, but also through private group insurance and automobile insurance.

To develop this Economic Impact Statement we consulted with private consultants pertaining to EMS reimbursement models and insurance industry trends and practices. Based on our review of the legislation we do not believe the legislation will have a quantifiable economic impact on the local economy including local insurance rates.

2. A description of any variable that could affect economic impact estimates.

While we do not consider that the legislation as proposed would have a measurable economic impact, variables that could affect this conclusion include changes in Medicare and Medicaid reimbursement rates and regulations, changes in private insurance market rates, the number of transports performed annually by the Fire and Rescue Service (FRS), and changes in local health care costs.

3. The bill's positive or negative effect, if any, on employment, spending, saving, investment, incomes, and property values in the County.

The additional revenue generated through this legislation, while significant in the context of the County's annual operating budget, is not large enough to generate a quantifiable impact on employment, spending, savings or other relevant economic variables.


4. If a bill is likely to have no economic impact, why that is the case.

The bill will have an economic impact because of the additional revenue generated from Medicare, Medicaid, and private insurance. However, as mentioned above, the economic impact will be small in relation to the local economy that it will not have a quantifiable impact.

Economic Impact Statement
Emergency Medical Services Transport Reimbursement Act
Council Bill 17-12E

5. The following contributed to and concurred with this analysis:

David Platt, Department of Finance, Michael Coveyou, Department of Finance, Terry Fleming, Department of Finance



Joseph F. Beach, Director
Department of Finance

5/2/12
Date

B 17-12



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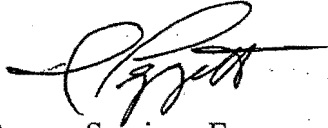
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

May 7, 2012

TO: Roger Berliner, County Council President

FROM: Isiah Leggett, County Executive 

SUBJECT: Expedited Bill 17-12, Fire and Rescue Service - Emergency Medical Services Reimbursement

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2012 MAY -8 PM 12:25

This memorandum provides responses to Council Staff questions regarding Expedited Bill 17-12, Fire and Rescue Service - Emergency Medical Services Reimbursement.

Council Staff Question 1:

The CE's April 26 budget adjustment transmittal identifies \$8.6 million as a resource amendment for FY13 based on enactment of the EMST reimbursement. What fire rescue expenditures does the Executive intend this revenue to support? The transmittal also references the fiscal impact statement for the legislation. When will the Council receive this fiscal impact statement?

Response:

The revenues collected will be used to cover the costs associated with implementation of the bill (\$954,450). Net revenues available after implementation costs, will be allocated to eligible expenditures. The revenues collected from emergency medical services transport (EMST) reimbursement will be used to supplement expenditures for emergency medical services and other related fire and rescue services in excess of the FY12 appropriation for the Fire and Rescue Service (FRS). Based on my FY13 recommended budget, eligible expenditures total \$16,730,424. See attached spreadsheet for net EMST reimbursement revenues.

The fiscal and economic impact statements for Bill 17-12 were transmitted to Council on May 7, 2012.

Council Staff Question 2:

The bill's effective date is January 1, 2013, how does this effective date affect FY13 expenditures given the bill's requirement to supplement and not supplant existing fire rescue expenditures?

Response:

The FY12 approved budget for the FRS (\$179,769,870) establishes the base level funding for this legislation. All expenditures above the base level are considered eligible expenditures. Based on my FY13 recommended budget, eligible expenditures total \$16,730,424. Due to mid-year implementation, FY13 revenues are projected to be \$8,557,640. Revenues net of implementation costs are estimated to be \$7,603,190. Therefore, in FY13 \$7,603,190 in revenues will be applied to eligible expenditures.

The attached spreadsheet reflects eligible expenditures in my FY13 recommended budget as well as eligible expenditures in FY14-18 based on my current assessment of resources needed to allow the FRS to continue to provide high quality fire and rescue services in the coming years.

Please contact Office of Management and Budget Director Jennifer Hughes if you need additional information relating to the fiscal impact of Bill 17-12.

IL:aw

- c: Kathleen Boucher, Assistant Chief Administrative Officer
Joy Nurmi, Special Assistant to the County Executive
Jennifer Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance
Marc Hansen, County Attorney
Richard Bowers, Chief, Department of Fire and Rescue Service
Scott Graham, Department of Fire and Rescue Service
Dominic Del Pozzo, Department of Fire and Rescue Service
Patrick Lacefield, Director, Office of Public Information
Alex Espinosa, Office of Management and Budget
Amy Wilson, Office of Management and Budget

MCFRS Emergency Medical Service Reimbursement - Revenues & Use of Resources - FY13 through FY18							
		FY13	FY14	FY15	FY16	FY17	FY18
1	Estimated Gross Revenue Collected	\$ 8,557,640	\$ 17,619,696	\$ 18,100,911	\$ 18,628,920	\$ 19,188,329	\$ 19,759,903
2	Implementation Costs						
3	Third Party Billing (5.5%)	\$ 470,670	\$ 969,080	\$ 995,550	\$ 1,024,590	\$ 1,055,360	\$ 1,086,790
4	Community Outreach	\$ 200,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
5	Personnel Training	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
6	Manager Billing Services	\$ 99,800	\$ 99,800	\$ 99,800	\$ 99,800	\$ 99,800	\$ 99,800
7	Accountant/Auditor	\$ 82,560	\$ 82,560	\$ 82,560	\$ 82,560	\$ 82,560	\$ 82,560
	Administrative Specialist	\$ 76,420	\$ 76,420	\$ 76,420	\$ 76,420	\$ 76,420	\$ 76,420
8	Subtotal Costs	\$ 954,450	\$ 1,252,860	\$ 1,279,330	\$ 1,308,370	\$ 1,339,140	\$ 1,370,570
9	Costs as a % of Revenues	11.2%	7.1%	7.1%	7.0%	7.0%	6.9%
10	Available Revenue	\$ 7,603,190	\$ 16,366,836	\$ 16,821,581	\$ 17,320,550	\$ 17,849,189	\$ 18,389,333
11	Potential Expenditure Requirements						
12	Restoration of Service Reductions	\$ -	\$ 1,300,000	\$ 2,893,000	\$ 3,991,000	\$ 5,584,000	\$ 7,177,000
13	ALS Four Person Staffing Initiative (8 Engine Companies, 13 Ladder Companies, 4 Rescue Squads)	\$ -	\$ 2,704,000	\$ 4,392,000	\$ 6,080,000	\$ 7,010,000	\$ 7,393,000
14	Facility Maintenance and Repair Improvement Plan (County owned and LFRD facilities)	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
15	Personal Protective Equipment (2nd set, Career and Volunteer)	\$ -	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 770,000	\$ 770,000
16	Portable fire/rescue/EMS equipment		\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
17	Training (Career and Volunteer)	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
18	Apparatus Replacement Plan (Engines, Ladders, Rescue, EMS Units)	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
19	Travilah Fire Station (Maintenance, Utilities & Personnel)	\$ -	\$ 2,477,000	\$ 2,631,000	\$ 2,631,000	\$ 2,631,000	\$ 2,631,000
20	Glenmont Fire Station Replacement (Maintenance & Utilities)	\$ -	\$ -	\$ 80,000	\$ 160,000	\$ 160,000	\$ 160,000
21	Wheaton Rescue Squad Relocation (Maintenance & Utilities)	\$ -	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
22	Recruit Classes	\$ 2,679,000	\$ 5,283,000	\$ 5,283,000	\$ 5,283,000	\$ 5,283,000	\$ 5,283,000
23	Required Retirement Cost Increase	\$ 3,666,672	\$ 3,666,672	\$ 3,666,672	\$ 3,666,672	\$ 3,666,672	\$ 3,666,672
24	Restore Funding from Lapsed Positions	\$ 3,607,090	\$ 3,607,090	\$ 3,607,090	\$ 3,607,090	\$ 3,607,090	\$ 3,607,090
25	Increase Overtime to Close Historical Spending Gap	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
26	Lump Sum Wage Adjustment (FY13 Only)	\$ 2,483,521	\$ -	\$ -	\$ -	\$ -	\$ -
27	Required Group Insurance Adjustment	\$ 2,388,579	\$ 2,388,579	\$ 2,388,579	\$ 2,388,579	\$ 2,388,579	\$ 2,388,579
28	Longevity Adjustment	\$ 350,275	\$ 408,275	\$ 408,275	\$ 408,275	\$ 408,275	\$ 408,275
29	Electronic Patient Care Reporting	\$ 87,760	\$ 117,760	\$ 117,760	\$ 117,760	\$ 117,760	\$ 117,760
30	Paramedic Certification Pay	\$ 269,751	\$ 269,751	\$ 269,751	\$ 269,751	\$ 269,751	\$ 269,751
31	SAFER Grant Match (Additional Staffing)	\$ 255,850	\$ 511,850	\$ 511,850	\$ 511,850	\$ 511,850	\$ 511,850
32	New Universal Call-Taker Lines at Fire Stations	\$ 17,430	\$ 17,430	\$ 17,430	\$ 17,430	\$ 17,430	\$ 17,430
33	Required Occupational Medical Services Adjustment	\$ 32,873	\$ 32,873	\$ 32,873	\$ 32,873	\$ 32,873	\$ 32,873
34	Motor Pool Rate Fuel and Maintenance Increase	\$ 35,450	\$ 35,450	\$ 35,450	\$ 35,450	\$ 35,450	\$ 35,450
35	Expenditure Reductions	\$ (1,643,827)	\$ (1,643,827)	\$ (1,643,827)	\$ (1,643,827)	\$ (1,643,827)	\$ (1,643,827)
36	Total (Other Use of Resources)	\$ 16,730,424	\$ 37,929,903	\$ 41,444,903	\$ 44,310,903	\$ 45,803,903	\$ 47,779,903
37							
38	Expenditures Above Available Net Revenues	\$ (9,127,234)	\$ (21,563,067)	\$ (24,623,322)	\$ (26,990,353)	\$ (27,954,714)	\$ (29,390,570)
	Notes:						
	FY13-18 revenue projections based on Page Wolfberg & Wirth report.						
	FY13 estimated revenue is based on mid-year (1/1/13) implementation.						
	FY13 Personnel costs are based on full-year at 25% above the minimum.						
	FY14-18 Expenditures are potential additional expenditures.						

Emergency Medical Services Reimbursement Legislation

BILL 17-12E

Testimony of Fire Chief Richard Bowers

Montgomery County Fire and Rescue Service

Public Hearing

May 8, 2012

Good evening. I am Fire Chief Richard Bowers and I am here on behalf of County Executive Leggett to speak in support of Bill 17-12E. I have served the Montgomery County Fire and Rescue Service for over 34 years. I am here before you now as the Fire Chief one of the Nation's most progressive combination fire and rescue system that is at yet another critical point in these challenging times.

The proposed legislation, Bill 17-12E, is a viable solution to the resource challenges presented to me as the Fire Chief. Bill 17-12E is different than previous EMS Reimbursement legislation. Bill 17-12E revised provides revenue and will support the fire and rescue service into the future. The EMS Reimbursement legislation is not a tax or a fee, and no County resident will ever receive a bill for any EMS transport by fire and rescue.

Montgomery County is growing exponentially and with that comes a greater need for response and infrastructure resources. I am charged with being a good steward of the recently procured fire apparatus valued at \$32 million. The Apparatus Management Plan which Council endorsed in 2004 is currently without funding. The EMST Insurance Reimbursement can provide that funding through a planned, strategic approach, preventing MCFRS from having to come back to the citizens again in 10 years to replace an entire fleet once again.

Right now, we have limited options. First, which is not an option in my opinion, is to ignore our financial challenges and hope they go away. Second, we can raise taxes to provide the financial resources needed. This will place a financial burden on all residents of Montgomery County whether they have the means to pay or not. Lastly, we can implement the EMS Reimbursement legislation. There will be no financial impact on residents of Montgomery County, and it will produce the needed financial resources for us to meet the challenges of our fire and rescue service. This is money that the insurance companies have already allocated for this service which the County has chosen not to collect.

It is important to understand that County residents will be responsible for the emergency service only to the extent of insurance coverage. Insured County residents will not be responsible for co-pays or deductibles. Uninsured County residents will not pay anything. No County resident will pay, period.

Many of our surrounding jurisdictions have already implemented an EMS Reimbursement program, including Fairfax, Arlington, Prince George's, Anne Arundel, Prince William and Frederick counties, the cities of Alexandria, Fairfax, and Baltimore, and the District of Columbia. Each of these jurisdictions has collected millions of dollars in revenues with their EMS Reimbursement programs. There have been no adverse impacts on the residents of these counties and cities and there has been no reduction in 911 calls either.

The financial situation and landscape has significantly changed over the last two years. Seven operational emergency response units in Fire and Rescue have been de-staffed and no longer respond to emergency incidents. The EMS Reimbursement legislation will enable fire and rescue to restore these units to service!

There can be no doubt that the burden of additional financial stresses associated with either the doomsday budget or the financial shift of the teacher pensions and the MOE are coming and will have a negative impact on the County and our residents in the next decade and beyond.

The EMS Reimbursement Bill 17-12 does not place a fee or tax on any County resident and no County resident will ever get a bill. Bill 17-12 does enable fire and rescue to collect millions of dollars from the insurance companies, Medicare and Medicaid to support the fire and rescue service.

I urge the County Council to pass Bill 17-12E.



Montgomery County Volunteer Fire Rescue Association

P.O. Box 1374
Rockville, MD 20849
301-424-1297

Marcine D. Goodloe, President
Eric N. Bernard, Executive Director

Testimony Before the County Council of Marcine D. Goodloe, President May 8, 2012

Good evening. I am Marcine D. Goodloe, president of the MCVFRA and I am here on behalf of the Association to speak in opposition to the proposed BILL 17-12 on ambulance fees.

One of the foundations of our democracy is that those elected to office are to respect the will of the people. Just 18 months ago the people of Montgomery County elected you to this office. At the same time, they decisively rejected the County charging ANYONE hefty ambulance fees of \$300 - \$800. If voters had upheld the ambulance fee, we would have accepted the outcome, and not tried to get the Council to override the voter's decisions.

There was high voter interest in the ambulance referendum. Nearly 95% of voters who cast a vote in the governor's race also voted on Question A, which was at the bottom of the ballot. In contrast, 100,000 fewer voters voted in the countywide Board of Education elections then voted on the ambulance fee law.

Voters made a point to vote on Question A. Voting yes meant keeping the law and voting no meant repealing the bill passed by Council. By more than 20,000 votes, voters voted "NO" and repealed the law. What does 20,000 votes look like? Picture the Verizon center downtown with standing room only, and you have visual image of the more than 20,000 vote margin by which voters repealed the ambulance fee law.

In the history of Montgomery County, this was the first and only time that County voters repealed a County law. It was only the third referendum on a County law in the past 25 years. Voters in each of the five County districts voted to repeal the ambulance law.

At first, County Executive Leggett said that the voters had spoken and that he would respect that vote. But here we are again discussing the same bill that the voters repealed. This SAME bill also has the SAME supporters from 2010, but has a VERY different central issue. Because there was an ELECTION in-between the last

Marcine D. Goodloe
Public Hearing Testimony
May 8, 2012
Page 2

ambulance fees bill and this one. Now, the central issue is whether the County Council will RESPECT the voters' decision or DISRESPECT the voters' decision.

Voting for this bill in the wake of the 2010 decision could erode voters TRUST in county government, increase CYNICISM about elected officials and lead people to think twice whether it is WORTH voting.

The push for this bill just 18 months later after it was repealed is an affront to the voters of Montgomery County. Tonight you are hearing from 30 speakers, but remember that you have already heard from 147,000 speakers - the same ones that elected you to office and at the same time repealed the 2010 ambulance fee law by a margin of more than 20,000 votes.

Thank you.

Marcine D. Goodloe

Testimony of John T. Bentivoglio¹

Proposed Legislation to Impose Ambulance Fees in Montgomery County May 8, 2012

Thank you for the opportunity to testify on the County Executive's proposed ambulance fee legislation. While there are many compelling reasons for the Council to reject the County Executive's attempt to impose ambulance fees, I would like to focus on three important policy objections to such fees.

1. Ambulance Fees May Deter Calls When Help is Needed Most

There is abundant evidence – rigorous scientific studies, professionally done population surveys, and data analysis from Fairfax County and elsewhere – that fees *do* create a barrier to activation of the EMS system and pose a serious risk to public health and safety, especially among poor and elderly populations

Take the example of Fairfax County. In a May 2010 analysis (attached), we documented how EMS calls in Fairfax County increased steadily through 2004, decreased in 2005 -- the year Fairfax County imposed an ambulance fee -- and have remained at pre-fee levels.

Peer-reviewed studies and professional surveys confirm the common sense notion that fees for emergency medical care pose a barrier to early activation of the emergency medical system. This runs counter to decades of efforts to encourage early calls to 911 in cases of heart attack, stroke, and other serious medical conditions.

There is plenty of anecdotal evidence that people in need of emergency transport take transport costs into consideration when deciding whether to call for an ambulance. I have attached several recent examples of such situations.

Finally, we are extremely concerned about the promise that County residents won't be billed for service. Such an approach has not been tried -- all the surrounding jurisdictions cited as models do bill residents for ambulance service and grant waivers only when residents go through a lengthy and burdensome waiver application. In Fairfax, residents have to submit employment information, tax filings or other similar documents for waiver requests. Montgomery County is a dynamic community, with people moving into and out of the area with

¹ I have been a Montgomery County resident and voter for the past 16 years and a volunteer firefighter and EMT with the Bethesda-Chevy Chase Rescue Squad for more than 23 years. I was the lead author of a report on the ambulance fee legislation entitled "Not Entitled to Their Own Facts: Data Shows Ambulance Calls Will Deter Emergency Calls for Help" and served as counsel to the MCVFRA in its efforts to put the ambulance fee on the November 2010 ballot. I am testifying today in my individual capacity.

some frequency. We are not confident that an out-sourced billing collection operation, relying on often inaccurate hospital information, will not result in residents getting billed for EMS transports.

2. Ambulance Fees Will Drive Up Insurance Costs

The County Executive asserts that ambulance fees won't drive up health insurance costs. He wants us to believe what parents have cautioned against for years – there is no such thing as a free lunch. Here's what the insurance companies said during the 2010 debate:²

CareFirst BlueCross BlueShield, spokesman Michael Sullivan said a county ambulance fee would drive up costs that might have to be passed on to customers. "Mandates on coverage, such as new ambulance fees, add to the cost of care and are directly reflected in premium rates," he said. "New fees in Montgomery County would need to be accounted for, but since ambulance fees represent just a small portion of overall care costs the effect on premiums would, correspondingly, be limited."

America's Health Insurance Plans, a group representing the health care industry, agrees, according to spokesman Robert Zirkelbach. "Anytime you add to the cost of providing care, that has a direct effect on the cost of health care coverage," he said.

It's important to note that higher insurance premiums will fall most heavily on the self-employed, small businesses, and families that are struggling to pay for health insurance.

3. Ambulance Fees Aren't the Answer to the County's Budget Situation

The County Executive has cited potential ambulance fee revenues as the solution to virtually every fiscal challenge we face. County leaders can and should be responsible in meeting the County's needs, but the Executive's arguments are seriously flawed.

First, the County is in a far better fiscal situation than when voters rejected fees in November 2010. Indeed, the Executive is proposing a 5% increase in his FY 2013 budget.

Second, under the proposed law, all ambulance fees revenue will be used solely for fire/rescue needs and must supplement – not supplant – existing revenue. If that's true, no fee revenue will be available for schools, police, libraries or other needs. Not one cent.

Finally, we have serious doubts about the amount of promised revenue. In just two years, the projected fee revenue has jumped several million dollars – when public and private ambulance reimbursements are being scrutinized and, in some areas, reduced.

² "Volunteer firefighters call on Leggett to stop spending tax dollars on campaigning," Montgomery County Gazette, October 27, 2010.

Conclusion

There are many other reasons to oppose ambulance fees, including objections to the fact that such fees would often be charged when the services is provided for free by volunteer personnel; County residents already pay for fire/rescue service through the County's Fire Tax; and the County should not charge for such a core governmental function.

The voters clearly understood these issues when they went to the polls just 18 months ago. They believed that such fees would discourage calls to 911, drive up insurance rates, and not come anywhere close to delivering the promised benefits. Based on these facts, they rightly rejected ambulance fees. The Council should respect voters and do the same.

Thank you.

**Testimony of Eileen Cahill on behalf of Holy Cross Hospital
before the Public Safety Committee of the Montgomery County Council
in support of Expedited Bill #17-12: Fire and Rescue Service – Emergency
Medical Services – Reimbursement**

May 8, 2012

Good evening, Mr. Chairman and members of the Public Safety Committee. My name is Eileen Cahill. I am the vice president of government and community relations at Holy Cross Hospital, and I am here tonight on behalf of Holy Cross in support of Expedited Bill #17-12.

But before I give the hospital's testimony I would like to make a personal comment, if I may: I know one of the arguments against passing the proposed legislation is that the voters decided against an EMS reimbursement program in 2010. I would argue that that the 2010 ballot question posed to voters was poorly worded, and therefore difficult to understand. As a voter myself and one who knew the issue reasonably well, I found the ballot question confusing. In the face of potentially more cuts in county services and/or increases in income or other taxes, one can only speculate how the voters would respond today to a properly-worded ballot question on an EMS reimbursement program.

Holy Cross Hospital has been on the record in the past in support of similarly proposed legislation. EMS reimbursement programs have been instituted in many of the surrounding jurisdictions, and we have yet to hear a compelling reason why an EMS reimbursement program should not be implemented in Montgomery County as well.

The main argument we have heard in opposition to an EMS reimbursement program is that it might deter someone who is uninsured or living on a fixed income from calling 9-1-1. If that were the case, the logic would follow that concerned residents would also avoid hospitals because of their inability to pay for hospital services. At Holy Cross Hospital, we have seen our charitable care program increase with each passing year. Thus, it does not appear to us that a person's insurance or financial status would be a deterrent to calling 9-1-1, when most times those calls result in a transport to a hospital emergency department.

Holy Cross Hospital is supportive of this expedited legislation because EMS reimbursement would only be sought from a patient's commercial insurance carrier, or Medicaid or Medicare, and that no county resident would be denied ambulance service because they lack insurance or the ability to pay for the service. Holy Cross would not be supportive of any legislation or any county-sponsored program that would deny its residents access to health care.

Testimony of Eileen Cahill on Behalf of Holy Cross Hospital
May 8, 2012
Page 2

Unfortunately, Montgomery County still struggles with the effects of a down-turned economy, structural budget deficits, and, more recently, costs being shifted from the state to the county. Leaving on the table potentially tens of millions of dollars in reimbursable charges for ambulance services seems irresponsible when our county continues to face difficult budget choices.

Thank you for your time and attention.

#



Fire, Rescue & EMS

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BETHESDA-CHEVY CHASE RESCUE SQUAD, INC

MONTGOMERY COUNTY COUNCIL PUBLIC HEARING Expedited Bill 17-12: Emergency Medical Services – Reimbursement

Testimony of
Fire/Rescue Chief Edward G. Sherburne

May 8, 2012

Good evening. I am Fire/Rescue Chief Edward G. Sherburne of the Bethesda-Chevy Chase Rescue Squad (B-CCRS). I have helped residents, commuters and visitors, for free, thousands of times, over my 33 years of service. I also have many colleagues here tonight that work hard to be a part of an organization that funds its emergency service without a County budget. Our publicly available, audited financial statements, for FY 2011 document \$5 million in contributed services and cash expenditures that make Montgomery County a better place to live.

We are philosophically **opposed** to Bill 17-12 and the concept of an EMS transport fee in any form because:

1. Patients, especially commuters and visitors, who will owe deductibles, and be hard-billed, will be discouraged from using 911.
2. The concept of anyone charging for service we provide for free is at odds with our community oriented, not-for-profit model.
3. The philanthropic donor base harnessed to provide emergency service above the tax-base will be negatively impacted. The outside volunteer organizations quoted by the Executive are "apples to oranges" comparisons and have no predictive value here. If billing is initiated, B-CCRS will be unable to provide the same level of services we do today without County assistance. The exact amount of degradation to capabilities is an open question- but the financial risk to the County is real.
4. Many volunteer personnel see the County charging for services as just one more example of a County administration that does not know how to harness the value of a robust volunteer service in productive ways.

5. There is no "free lunch:"

- Insurance companies have said they will raise rates to cover the cost of new claims.
- The structure and level of reimbursements of Medicare is currently under debate, as part of Federal budget discussions, and subject to negative change.
- There is a risk in billing. In June 2011, the billing contractor for the City of Dallas, Texas was found to be "up-coding" ambulance transports in violation of Medicare regulations. Dallas agreed to pay a \$2.5 million settlement and entered a 3-year corporate integrity agreement with the federal health care fraud regulators.¹
- And, finally, dependency on EMS fees subjects Montgomery County to even more choking regulation and directive advice from outside agencies in how we deliver EMS.

In looking to the future, we offer three suggestions:

1. Respect the will of the Montgomery County voters – it's an essential element of citizen trust in government. The last minute modifications proposed by the Executive don't alter this fundamental concept.
2. Advocate with our Congressional delegations for Medicare reimbursement using population based formulas. These ideas are currently being debated to reduce fraud, administrative costs, and to foster development of leading edge health care delivery by EMS that do not require transport. Currently all payments are based on transport and stifle innovation. A formula based model would eliminate the need to require individual patient billing.
3. Restart discussions on legislation for a dedicated fire-tax to fund, with appropriate safeguards on uncontrolled spending, future fire, rescue and EMS needs without the need for user fees.

Thank you for your time. I remain available for questions, if needed.

¹ Department of Health and Human Services and Department of Justice, Health Care Fraud and Abuse Program, Annual Report for FY 2011, pg. 34.

**Testimony of Erik S. Gaull, NREMT-P
before the Montgomery County Council
May 8, 2012**

President Berliner and honorable Members of the Council, my name is Erik Gaull. I have been a volunteer paramedic/firefighter in the County since 1986. I have an MBA and a Master of Public Policy from Georgetown University. I spent more than eight years as a full-time consultant to fire and EMS agencies across the United States and Canada, working on complex EMS management and finance issues for jurisdictions including Chicago, Houston, Winnipeg, Wake County (NC), Prince William County (VA), and Washington, DC. I was the primary author for the EMS chapter of the first edition of the U.S. Fire Administration's manual, *Funding Alternatives for Fire and EMS Departments*. I teach two resident courses at the National Fire Academy – *EMS Management* and *Advanced Leadership Issues in EMS*. I am on the Editorial Review Boards of *EMSWorld Magazine* and *Prehospital and Disaster Medicine*. I have given more than 100 presentations at public safety conferences throughout the United States, Europe, and the Middle East.

It is incomprehensible to me that Montgomery County does not have EMS cost recovery in place. Plainly stated, by not having cost recovery, the County is leaving millions of dollars in the pockets of big insurance companies.

People who argue that seeking cost recovery for EMS usage will result in higher insurance premiums do not understand how insurance works. Insurance companies do sophisticated actuarial calculations to determine the likelihood an insured party will need an ambulance and what they will have to pay in reimbursement for such use. For personal or work reasons, Montgomery County

residents are regularly in nearby jurisdictions – almost all of which seek reimbursement from insurance companies for ambulance service. Because there's no way to know if someone will have a heart attack or car crash in say, D.C., as opposed to Montgomery County, insurance companies set aside money in anticipation of needing to reimburse for EMS usage. This means that the cost of projected ambulance usage is already included in the premiums that County residents pay. When reimbursement is not sought, insurance companies gladly pocket as profit all money budgeted for EMS usage.

An argument has been advanced that implementation of EMS cost recovery will result in people being unwilling to call 9-1-1 in a medical emergency. Simply put, the empirical experience of the nation's largest and most geographically diverse EMS billing firm clearly demonstrates that there is no drop-off in call volume associated with the implementation of cost recovery programs. People call EMS when they need an ambulance irrespective of whether their insurance company is going to receive a request for reimbursement.

Finally, I know that some – but certainly not all – of my fellow volunteers object to cost recovery because they worry that the public will be less willing to make donations to their departments. While I understand this fear, experience from across the nation does not support the concern.

At bottom, leaving millions of dollars on the table is – at the end of the day – foolhardy. Big insurance companies already consider this money spent, and they are only too happy to keep it when jurisdictions don't ask for it.

I urge the Council to do the intelligent thing by approving EMS cost recovery legislation as soon as possible.

Opposition to ambulance fees

Written testimony to Montgomery County Council, May 2012
by Darian Unger, Montgomery County resident and firefighter/EMT
DarianUnger@yahoo.com

I wish we didn't have to be here. The residents of Montgomery County have already made the ethical decision when they voted decisively against ambulance fees and I urge you to respect the people and the democratic process.

19 months ago, the County Executive spent hundreds of thousands of dollars to try to convince people to support these irresponsible ambulance fees. He convinced the same few groups to my left to speak in favor of ambulance fees, and they are repeating what they said before. But ambulance fees were not and are not acceptable to the citizens of the county, and election day told the story. You were all elected. Ambulance fees were defeated.

Ambulance fees were voted down by the people in every district, despite the County Executive plastering County buildings with political ads. Ambulance fees were decisively defeated despite the County Executive ordering on-duty firefighters and their equipment to electioneer at the polls. Despite those intimidating and highly inappropriate tactics unworthy of U.S. elections, the people clearly said "No. We know there's a revenue problem. We don't want you to solve it this way."

To propose and support ambulance fees now is beyond disdainful, irresponsible, and arrogant. It is antidemocratic and tells the educated voters of the County they don't matter

The people did not and do not believe these ridiculous claims that this is a "free lunch." We know that fire/rescue services – like police protection – should be freely and equally available to everyone. That's not what this bill does. We know that ambulance fees have real consequences.

Think they don't matter? Think they don't hurt when they're imposed? Well, I'm a firefighter and EMT by night, but my day job as a Howard University professor. Students at Howard are warned as freshman by their own university that ambulance rides will cost them three hundred dollars. One of my own students lost consciousness and fell, but wouldn't let an ambulance take her to the hospital because she was afraid of the bill. Think they don't affect behavior here too? Tell that to the woman who couldn't even walk, but tried to crawl out of my ambulance until I assured her that there was no charge for my emergency assistance. She would have been charged by this proposed system.

My earlier testimony provided details and peer-reviewed research showing that the laws of supply and demand hold true in EMS: increased fees reduce people's willingness to call 911. For all this talk of "no resident getting billed," we know there will be real consequences to vulnerable people. Here's a parallel for you. Nobody in this room believes Governor Scott Walker or the Wisconsin Republicans who innocently claim that their new voter ID laws don't inhibit voting because it's just paperwork that anyone can do. We know that's false, and that many poor people won't vote if barriers are thrown in their way. Likewise, there should be no such financial and paperwork barriers to core, public, life-saving emergency services.

My name is Darian Unger. I am a resident and a firefighter. I am one of many. We care too much for our patients, for vulnerable people in distress, and for our community to allow the Executive to override the express will of people on ambulance fees. I invite you to join us.



12

THE LEAGUE OF WOMEN VOTERS *of Montgomery County, MD, Inc.*

**Testimony to County Council on Expedited Bill 17-12, Fire and Rescue Service
Emergency Medical Services – Reimbursement
May 8, 2012**

I am Barbara Hankins Co-President of the League of Women Voters of Montgomery County.

Leagues of Women Voters are able to take action on governmental issues only after its members have studied and come to agreement. Eighteen months ago, League members completed such a study and concluded that an emergency medical transport fee with certain features would be one way to increase the revenues of the county at this time of fiscal restraint. The conditions which we would attach to such a fee include an extensive public education program; provisions for tracking and evaluating the program; a clear description of the fee structure and distribution of monies; care and transport without regard to income or insurance; and waivers for those unable to pay fees. Some of our conditions are met in Expedited Bill 17-12 but, as the last time this issue was raised, others should be fleshed out in the regulations implementing the bill.

The concept of such a transport fee is not unique to Montgomery County. It is estimated that approximately 75% of jurisdictions nationwide already charge fees. Of Maryland's twenty four counties, only five including Montgomery, do not have transport fees of one kind or another. Similarly, the District of Columbia and many counties in Northern Virginia also collect such fees. Many of the departments who charge for ambulance transport have, as does Montgomery County, significant numbers of volunteer firemen.

We do not believe that, given extensive educational programs, citizens will be deterred from calling for ambulance services nor do we believe that there will be significant increases in health insurance premiums if this bill passes. Most of our senior citizens are covered by Medicare for which rates are set nationally. Many low income residents are covered by Medicaid which is paid by the state and federal governments. The transfer of funds from the general fund to the fire fund will cover the costs of the uninsured allowing us to meet federal requirements while still only directly charging fees for insured individuals.

We recognize, however, that in your consideration of this legislation, you will be evaluating the likelihood of the bill's ability to survive another petition drive and referendum. If you conclude that it has a reasonable chance of doing so, and enact it, we will work actively with other non-governmental supporters to educate the voters about its provisions, so that they can cast informed votes.

TESTIMONY BEFORE THE MONTGOMERY COUNTY COUNCIL RE PROPOSED
AMBULANCE TRANSPORT REIMBURSEMENT
GREATER OLNEY CIVIC ASSOCIATION
BY **ARNOLD B. GORDON**,
MAY 8, 2012__

Ladies and Gentlemen of the Council:

The County Executive has again introduced the controversial ambulance fee, and for good and sound reasons. The Greater Olney civic Association (GOCA) believes, as it did in 2008, that this matter should not be the subject of political demagoguery. The facts are straight forward:

- This fee is found money; No taxpayer in our county will pay for this fee whether insured or not;
- These fees are already calculated into all health insurance contracts in this general area;
- We are paying for this in our health insurance regardless of the vote;
- To refuse this fee is to leave \$18 million in FY 2014 and up to \$110,000,000 (94 million after administrative costs) over the next 6 years on the table;
- If you have a heart attack on 270 north of the Frederick line you pay a fee; South of the line no matter where you come from you don't pay a fee, ergo, a Frederick resident gets a service from this county for free and a Montgomery resident in Frederick has to pay;
- **Any co-pay or deductible on this will NOT be collected by the county from a county resident.**

Now it has been argued by, among others, the Civic Federation, that there is language in the bill that makes this an obligation of the service recipient. This simply is not so since the language of the bill clearly states that "Tax revenues received by the County must be treated as payment, on behalf of County residents, of the balance of each resident's portion of the emergency medical transport reimbursement charge that is not covered by the resident's insurance." If this was not clear enough Amendment 3 to the bill as sent to you by the County Executive in a memo of May 7th, clarifies that issue. **No county resident will pay for the emergency transport.**

It has also been argued that an amount equal to the portion of the fee not covered by insurance reimbursements must be transferred from the General Fund to the Fire and Rescue (FRS) budget; therefore the program will not generate added revenue to pay other Bills; and, instead would decrease funds for other needed programs and services. This too is false. 100 percent of this is dedicated funding for FRS and it supplements existing FRS spending to fund critically needed apparatus, staffing, and training needs. Without the \$18 million, the County would need to shift money from other critical (non-fire) programs which will be made very difficult in light of the recent shift of costs from the State to the County, which I remind you will cost us at least \$400 million over next ten years (and probably a Good deal more). This charge this would offset \$180 million plus of that cost shift. Further the amendments just transmitted to you make that abundantly clear as well.

It has also been argued that our health insurance rates will rise. There is zero evidence of any increase in insurance rates and that's because the costs of emergency services are already included in the premiums charged by insurers and already paid by county residents. Those premiums are already determined regionally or nationally and all other jurisdictions in our area already charge for the service. Remember that emergency transport services are a mere 1/10th of health care insurance costs. The county's actuaries calculate that there will be no difference in rates that result.

The only possible opposition to this are the county's Fire Volunteer associations, who, without a factual basis for such a belief, posit that they will collect less money for their contributions. That

has not proven true in any of the surrounding jurisdictions. These jurisdictions have viable fire volunteer associations that enjoy good financial health.

And here's the kicker: If this is such a bad idea, where are the stories, where is the adverse data, why aren't jurisdictions flocking to get rid of it. Why are other volunteers in jurisdictions that have it SUPPORTING it?

These facts are indisputable. Lets not pander to those who would frighten our taxpayers into believing this is an additional exaction. It just plain isn't.

The fee has not deterred anyone from calling an ambulance in any of the surrounding jurisdictions and if the politicians who pander on this will help edify their constituents properly, it will not deter anyone from calling an ambulance here as well. This should not be made into a hot political issue. We should approach this objectively and within the bounds of proper reasoning. This money is needed and some county service will be lost or reduced, or additional tax will be collected, if we don't collect the money that is already available to us.

As to the fact of the previous referendum results on this issue: The fiscal facts have changed drastically and **you are paid not only to follow the public's transitory will but to lead when good sense dictates.**

Thank you for your consideration.

GREATER OLNEY CIVIC ASSOCIATION by
Arnold B. Gordon
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7 Minuteman Court
Rockville, MD 20853

400 500 700 400

Thank you members of the Montgomery

21

County Council for the opportunity to provide
you testimony regarding EMS reimbursement
~~and the legislation, you are currently~~
~~considering, Revised Bill 17-12E.~~

I'm Kevin McGee, Chief of the Prince
William County Department of Fire and Rescue.

Prince William County has over 800
operational volunteers and 535 career
personnel.

Our annual call volume is approximately
33,000 emergency incidents, over 75% of which
are medical emergencies.

The growth in Prince William County has placed greater service delivery demands on the fire and rescue system.

The economic reality most every jurisdiction in the nation now find itself in necessitates evaluation of the range of possible revenue options, while balancing the financial impact on our citizens.

Prince William County implemented an EMS Billing Program as a new source of revenue that doesn't have any additional financial impact on our citizens.

We began to capture EMS billing revenue in fiscal year 2011 and our current ^{annual} revenue projection is 5 million dollars. Our reimbursement program is a soft ^{or compassionate} billing approach, as I see is in your proposed legislation.

EMS transport services are already included in consumer insurance premiums and by not billing for these services, would have resulted in Prince William County losing legitimate revenue. The same legitimate revenue that Montgomery County Fire and Rescue is currently not capturing.

One EMS reimbursement misconception is that citizens who need help won't call 911 for concern about the cost.

This is simply unfounded and I can tell you that Prince William County has not experienced any decline in EMS incidents.

In fact we're having an increase in EMS call volume. *consistent with the increase in our population.*

Critical to any EMS reimbursement program's success is an outreach program to provide accurate information to the citizens to include your soft billing approach.

Since the program's initiation, a small number of citizen questions have been received and have been easily satisfied with accurate information.

The EMS Billing Program has ^{FINACIALLY}~~fiscally~~ supported critically needed enhancements to Prince William County's fire and rescue system.

Our Fire and Rescue Association that oversees the fire and rescue system and includes our eleven volunteer chiefs, unanimously endorsed the initiation of our EMS billing program. This revenue has funded;

- systemwide needs such as the staffing of additional EMS transport units,

- the modernization of sophisticated biomedical equipment and other EMS equipment,
- and providing enhanced EMS training so we can even better care for the patients we serve.

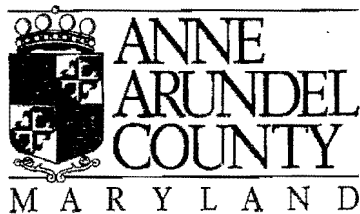
Our experience with the initiation of an EMS reimbursement program has had no downside impact to service delivery, doesn't directly cost our citizens anything and is directly responsible for critical EMS system improvements.

In review of the proposed amended legislation, your program is very Montgomery County resident friendly. I believe you will experience the positive impacts we have experienced from our program.

I recognize you have an important policy issue before you. I hope I was able to provide reassurance, based on ^{THE PWC} ~~my~~ experience, that a properly implemented EMS reimbursement program can create a new and stable revenue source for fire and rescue systemwide needs that won't financially impact your citizens.

having negative impacts on care or
extending on-scene times.

23



Fire Department

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Phone 410-222-8200 • Fax 410-987-2904 • TDD 410-222-8747
www.aacounty.org

John R. Leopold, County Executive
John Robert Ray, Fire Chief

Testimony of Fire Chief John Robert Ray, Anne Arundel County Fire Department

05/08/2012 before the Montgomery County (MD) County Council

Mr. Chairman and members of the County Council, thank you for the opportunity to appear before you this evening to speak about Anne Arundel County's EMS Fee for Service program and urge your favorable consideration of your legislation. My name is John Robert Ray, and I am the Fire Chief of the Anne Arundel County Fire Department, serving over 538 thousand Maryland residents. Although a smaller cousin to Montgomery County, striking similarities between our combination career/volunteer Fire Departments and the demographics of our populations lend themselves as relevant to the issue under consideration.

Since 2008, our Country, State, and County have struggled under the crushing weight of a prolonged recession that has had devastating effects on our collective ability to provide essential services to our citizens. Although I cannot speak to the specific challenges you are facing here, we share a common desire to ensure critical services, and I am confident you are besieged with similarly difficult choices. On a smaller scale, we are likewise searching

43

"An All Hazards Response Organization, Committed to Your Safety"

for innovative strategies to meet our mission without asking our citizens to contribute more at a time when they are already struggling to survive.

To that end, we have located a new revenue stream that is forestalling even more painful cuts to our budgets. In 2009, the County Council of Anne Arundel County implemented a program to bill Insurance companies for EMS transport. The program asks insurance companies to pay their fair share of insurance premiums already charged to county residents. Although there was tremendous trepidation prior to implementation and some substantial emotional arguments promoted by a variety of constituencies, I am pleased to report that the program has been an overwhelming success.

Please allow me to cite a few examples reflective of this success:

- The county has realized 17 Million dollars in new revenue since the inception of the program, with an average annual income of \$6 million dollars based on 40,000 patient care transports with an effective collection rate of 30%. All funds collected are deposited into the General Fund pursuant to County Code.
- The new revenue stream has allowed us to provide critical system support, particularly in the area of Basic Life Support service which constitutes 60% of our transports.
- There has been no reduction in call volume consistent with the introduction of the Fee for Service program. In fact, our call volume continues to increase at the steady rate of approximately 5% per year.

- In the three years since the program started, **no County Resident has paid any money out of pocket for an ambulance transport when transported by a County ambulance.**
- The county's bond rating agencies have specifically cited this program as a positive attribute in helping to maintain our bond rating at AAA.

Additionally, our program provides the following:

- No case is ever referred to a collection agency
- A compassionate billing program provides a waiver for non-residents experiencing financial hardship
- Out of County residents receive requests for payment consistent with the demands placed on the system

One of our on-going challenges is the demand for services into surrounding jurisdictions. Just as here, Anne Arundel County participates in automatic aid agreements with surrounding partners in public safety. Of note, every time that a mutual aid ambulance responds into our County and transports a patient, the county resident is subject to the EMS transport fees imposed by that jurisdiction. At least three jurisdictions: Annapolis, Prince Georges County and the City of Baltimore participate in a fee recovery program. Annually, they are transporting approximately 3000 Anne Arundel County residents and the revenue associated with the provision of that service is going directly to their jurisdiction. The parallel for Montgomery County residents can be drawn every time a District of Columbia ambulance transports a county resident – that county resident is subject to the EMS fee

imposed by DC. Conversely, every time a Montgomery County EMS unit responds outside the County and transports a patient, county taxpayers are paying for the provision of that service at no cost to the user.

My goal here today is not to direct your decision. I would never presume to imply that our experience is causally relevant to your experience should you choose to implement this program. You must clearly act in the interest of the needs of your citizens taking into account all of the factors that are attached to this complex issue. I hope that in providing information about Anne Arundel County's experience I have been able to successfully allay commonly held myths and concerns relating to the deployment of a valuable new revenue stream in these most challenging economic conditions.

I will be happy to answer any questions you may have about our program and I once again thank you for your attention and invitation to speak this evening.

**Testimony to the Montgomery County Council
Regarding Ambulance Fees by Johnie Roth, Jr.
May 8, 2012**

Mr. President and members of the County Council, my name is Johnie Roth, Jr., and I'm here this evening wearing 2 hats, one as the Volunteer President of the Sandy Spring Volunteer Fire Department and the other as a resident and voter of Montgomery County.

I would like to say that I'm glad to be here with you this evening, but I'd be lying. I would have preferred working on the problems dealt our fire department by the county or a quiet evening with my family, but instead, I'm here with you again in opposition to the Ambulance Transport Fee. I must state from the start that I'm here tonight speaking for myself, my family, and residents that couldn't be here this evening.

A proposed form of the Ambulance Fee dates back to 2004 when Montgomery County Executive Doug Duncan proposed it, and past County Councils and citizens rejected the idea for numerous reasons. Most recently even I applauded County Executive Leggett when he declared after the last election that he would respect the voters decision of "NO AMBULANCE FEES IN MONTGOMERY COUNTY" but that was short lived and his words meant nothing. His recent disregard of my vote is not just disturbing but wrong.

I was born and raised in this county some 63 years ago and I've served proudly as a volunteer in the fire and rescue service in this county for 45 of those years, but I'm appalled and offended, that this County Executive and some members of this County Council have continued to blame and chastised the volunteers for defending the rights of their families and the Montgomery County citizens we serve from paying an Ambulance Transport Fees that technically they're already paying in their taxes already. In your own pamphlet entitled "Tax Facts" that the citizens receive every year with their tax bills and is signed by both the County Executive and the President of the County Council under services provided by tax revenues it states that "There are additional County taxes that are levied either Countywide or in specially defined

areas...The following taxes are Countywide (all taxpayers pay these taxes)...the Fire District Tax, which funds fire and rescue services...". I feel that by enacting both, you're double dipping or pilling on to the residents to solve financial problems created by the failure to live within the budget you have established.

On a personal note, the claim that this is just free money waiting to be collected and that the insurance companies have a provision to cover ambulance fees is just not true in all circumstances. Checking with my own insurance company, (United Healthcare) I found out that we, in fact, ARE NOT covered unless the annual deductible is met, and then, we are covered at 80%, ONLY IF a "medical" procedure is performed on the ambulance. Under our coverage, my family is not covered for a basic ambulance transport

The Pros and Cons have been bantered back and forth and I won't bore you with any more statistics or statements except to state it's all about the money. It's not about the quality of life or the enhancement of services provided to our residents that the County Executive is worrying about; it's all about the money,

Finally, the proposed Ambulance Transport Fee is ethically wrong. It's not an annual game... If you chose to support the County Executive there will be NO WINNERS, but you will have lost the trust and the faith of your constituents by overriding their votes

**Please vote No
Thank you.**

The Real Cost of Charging for EMS services.
Leah N Gold Bates, EMT-B
Volunteer EMS provider, Montgomery County, Maryland

No one who hasn't been without insurance or a job can really understand the anxiety of facing illness and facing medical choices without the security of knowing that it will be paid for and that it won't break us or bankrupt us. No one but someone who has to live on the financial brink on a daily basis can understand how little it can take to send you over the edge.

Haven't we been here before? Did the people of Montgomery County not speak clearly enough the first time? The people of Montgomery County do not want this usurious, immoral, dangerous fee to burden our weakest and sickest on their worst day. The people of Montgomery County don't want to put people in the position of putting off calling for that extra half an hour that just might be the difference between life, death or permanent, costly disability.

Before you tell me 'everyone else is doing it', let me remind you that everyone else was doing it with racism, sexism and other injustices – that before Loving vs. Virginia, someone like me couldn't have married my husband, because he's white and I'm black. It was the law. It was an immoral, reprehensible and unjust law. It discriminated and so does this. The only difference is that this law targets the poor, the scared and those who lack the education or capacity to fight the powers that be.

Injustice has often been part of the law of the land; accepted, 'the way things are done'. The truth is laws are always made by people more powerful than most of the people who have to deal with the consequences. One simply has to hope that our representatives understand that they are here to represent, not to dictate to the voters. Your job is service with compassion, not tyranny without heart.

The sad fact that other counties have made this mistake doesn't mean we should make it too. We shouldn't follow 'monkey see- monkey do.' Instead, we should be an example, if necessary, the example. We should do the honorable thing. We should do the right thing. We should do the good thing. This fee is the expedient, shortsighted, cold-hearted thing legislated by those who apparently have no understanding of what it is to watch pennies. To not have pennies. To go without. To face debt and even bankruptcy because of medical bills. The cost of health care as a commodity, when it should be a right.

If we want to be selfish and think about money, then we should at least do the thing that will promote our public health. We shouldn't put people at risk of accidents because the heart attack victim is driving himself to the hospital. We shouldn't discourage the woman who might be patient zero of an infectious epidemic from calling an ambulance and instead taking the bus and exposing many people to an infectious agent instead of just the two people who have been vaccinated and who are taking proper protective precautions. Worse, they could wait to call us out of fear and never make it to the hospital at all – and expose countless people to a dangerous disease before they finally die.

We don't charge for police calls because we want no hesitation when it comes to public safety. Yet this is also a public safety issue and we don't seem to be able to get that. Is it really more important for someone whose stereo has been stolen to be able to call for free than it is for a citizen having a stroke?

You say it won't fall on people; that their insurance will pay. Yet even people with insurance have copays or simply crappy insurance. All insurance is not created equal. I've seen people fight with insurance companies to pay bills that the companies should have paid without hesitation, but decided they could get away without paying, so they refused payment. I've seen people who went to hospital thinking they were having a heart attack, when it turned out to be something lesser. Then the insurance company told them that since it wasn't a 'real' emergency, they weren't covered. They were saddled with many thousands of dollars for doctors, tests and yes, ambulance fees.

People don't know when they call an ambulance whether their insurance will consider it a 'real' emergency or tell them they weren't 'pre-approved' for a 'non-emergency'. *You* may not charge people who can't pay, that doesn't mean they won't have to pay. You may not intend for them not to call us, but that doesn't mean they won't hesitate to call. When you're poor and every dollar matters, you make decisions that don't make sense to people who have money. You make decisions out of fear and out of your experience of the world as a cruel place where bad stuff always happens, even when you do the right thing.

We should have universal health coverage and no one should ever have to worry about being bankrupted by illness. We're a long way from that. This fee is going in the wrong direction. The law of the land should not be every man for himself according to his ability to pay. That passes from immoral to amoral. Please don't take this step, this misstep.

May 8, 2012. My name is Kim Bobola. I am a former chair of the East County Citizens *Volunteer* Advisory Board. Tonight I am speaking as an individual. Thank you for the opportunity to share my thoughts on why I favor Bill 17-12 that establishes the ambulance reimbursement program.

Just last week, I attended the County's Volunteer Recognition Program for Volunteer Champions such as the late Roscoe Nix, Chuck Lyons, Ambassador Connie Morella, and other outstanding volunteers in Montgomery County. I left the ceremony in Bethesda and drove past the Bethesda-Chevy Chase Volunteer Fire House where the electric sign in the front flashed the message "No Ambulance Fee." In response to seeing this message after just attending the County's gala, I made a wish for a better use of our Volunteer Firefighters than campaigning against the passage of reimbursement legislation.

To the leadership of the county's Volunteer Firefighters' Organization, I say, as does a growing number of people including our neighbors in Prince William and Anne Arundel Counties, it's time to turn off that lighted sign, and turn your attention to being volunteers – for the good of the county budget, and in helpful service toward maintaining Montgomery County as the great place it is.

Stop this nonsense that people won't call for an ambulance. If it's an emergency, of course they will call, regardless of getting a bill. What it will prevent, however, is the abuse of our ambulance resources for non-emergency use created by uninsured people who use our hospital emergency care as their primary care provider when their only out-of-pocket cost is the tips they happily provide to the brave volunteers who took such good care of them during their free ambulance ride.

We're at a critical point in Montgomery County's budget history, and now have an important job as fellow volunteers in spreading the message on why the ambulance reimbursement program is a best practice for county governments, including our own.

First, anyone who pays federal taxes, and most of us do, already pays for ambulance service for those who receive Medicare and Medicaid. Most workers are discovering their health benefits also cover ambulance service. So, why should Montgomery County taxpayers pay for this same ambulance service when insurance companies, Medicare and Medicaid pay for ambulance service in other jurisdictions around us? The County Executive's bill will stop this.

Second, the County Executive can't simply decide to do this. He needs the Council to enact a law. Actually, such a law has passed twice, but was also overturned twice – due primarily to the campaigning efforts of Volunteer Firefighters – this last time by just 52% of the vote. The trend is that this bill will ultimately pass, so why put off the inevitable and why not start reaping the benefits of reimbursement?

Third, this bill has adapted to incorporate concerns that have been expressed by Citizens Advisory Boards around the County. Also, the County Executive's pending amendments make the bill more compassionate towards those who suffer financial hardship.

Finally, let's keep things in perspective. Healthy people rarely need an ambulance, and many of us won't ever use one over the course of our lifetime. For that reason, this reimbursement program is inconsequential as part of the big picture. Conversely, if you add up the reimbursement dollars you'd get by passing Bill 17-12, you'd find the reimbursement amount very consequential for a county strapped for money.

On behalf of many fellow volunteers, thank you.



Good evening and thank you for the opportunity to speak. I am Luisa Montero, director of LAYC/Maryland Multicultural Youth Center, tonight representing Nonprofit Montgomery.

During last month's public hearing on the FY 2013 budget, Nonprofit Montgomery stood along with our colleagues from the Safety Net Coalition to urge you to make key investments in nonprofit service providers that will improve our ability to continue delivering quality services to County residents. We requested a 2 percent inflationary increase to all eligible base contracts for services provided by nonprofits to help them absorb the rising costs of doing business in the County. We also requested a policy change to allow advance payments due under contracts to prevent already strapped providers from having to deliver services up front and then wait a quarter to be reimbursed.

We applaud the County for taking concrete positive steps on both requests. As you all know, since that hearing, the Leggett administration announced a new pilot policy to provide advance payments on select contracts with nonprofits up to \$25,999. We also understand that, as part of your own deliberations of this budget, you are looking at an inflationary increase for eligible contracts with nonprofits.

Tonight, we affirm our support for fair revenue-raising measures that allow the County to make sufficient investments in community needs without harming those we aim to assist. We think the proposed ambulance fee is just such a measure, and we support its adoption in Montgomery County.

We understand that this fee would pose no additional burden to Montgomery County residents regardless of their insurance status, and that we are the only jurisdiction in the region that currently does not charge this fee. Most importantly, we understand that this measure could raise as much as \$18 million per year in additional revenue. No one would argue that this is revenue that could not be put to good use.

The recent economic downturn was a tough time for the entire County, and we know that safety net programs and those vulnerable residents who benefit from them, were some of the hardest hit, enduring three successive years of brutal cuts. At the same time, the need for assistance rose. We tightened our belts, however, and tried to maintain services even as the downturn drove more and more people to our doors with requests for food, shelter, health care and other basic needs. Demand is still high, as the recovery has yet to trickle down to our residents who experience the most need.

Last month, we urged the County to begin reinvesting in its nonprofit partners who serve more than half of the County's residents. This month, we want to support a reasonable revenue option that will help you to make that investment.

The nonprofit community is committed as ever to partnering with the County. We support responsible options for raising revenue that are fairly distributed, and help the County meet its obligations.

Thank you.

May 8, 2012
www.nonprofitroundtable.org



EAST COUNTY CITIZENS ADVISORY BOARD

May 8, 2012

The Honorable Roger Berliner
President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Council President Berliner:

I am writing to you on behalf of the East County Citizens Advisory Board (ECCAB) to express our support for Expedited Bill 17-12, Fire and Rescue Service - Emergency Medical Services - Reimbursement, which would authorize the County to seek reimbursement for EMS transport services from insurance companies, Medicare and Medicaid.

On April 7, 2010, this Board submitted a letter in support of Bill 13-10, which was essentially identical to the current bill and was ultimately passed by the Council. While the legislation was later overturned by referendum, we believe that the current fiscal circumstances, particularly as affected by state actions including the pending teacher pension shift and Maintenance of Effort legislation, warrant passage of this bill. Bill 17-12 is transparent, serves the interests of the community and is a prudent process for funding critical fire and rescue services. Many other jurisdictions nationwide and in the DC metropolitan area, including the District of Columbia, have similar reimbursement programs. Moreover, under this legislation no Montgomery County resident would receive a bill for emergency transport services and low-income non-county residents would be eligible to apply for a waiver of the fee.

We are pleased that the bill includes language that sets aside EMS reimbursement revenue for supplementing fire and rescue services. However, we would appreciate further clarification in the bill as to how this revenue will be allocated between County and volunteer fire and rescue services.

The EMS reimbursement program will provide Montgomery County Fire & Rescue Services with the funds needed to maintain high levels of service to all parts of the County, and support our local volunteer departments. We urge the Council to pass this legislation without delay.

Sincerely,

Marva Deskins
Chair, East County Citizens Advisory Board

cc: Hon. Isiah Leggett, Montgomery County Executive
Chief Richard Bowers, Fire and Rescue Services



Eastern Montgomery Regional Services Center

3300 Briggs Chaney Road • Silver Spring, Maryland 20904 • 240/777-8400, FAX 240/777-8410



UPCOUNTY CITIZENS ADVISORY BOARD

April 25, 2012

The Honorable Roger Berliner, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Berliner:

The Upcounty Citizens Advisory Board (UCAB) held a joint Land Use and Quality of Life committee meeting on April 23, 2012, during which a public discussion was held on the proposed Emergency Medical Services Reimbursement Act. The advisory board members heard from representatives both for and against the proposal. Both sides presented formidable arguments. After deliberation, the UCAB voted 6 to 5, with 2 abstaining, in favor of supporting the proposed Emergency Medical Services Reimbursement Act.

The majority cited the need to help raise revenue to offset potential shifting of teacher pension responsibilities and the unfavorable effects of the Maryland legislature's "Doomsday" budget. It was acknowledged that most, if not all, of the surrounding jurisdictions also have similar legislation in place and it would be a missed opportunity by 'leaving money on the table'.

The minority cited the 2010 election in which the voters rejected the Ambulance Fee and the divisive nature of the issue—one that cuts a deeper wedge between career fire fighters and the volunteers.

We realize that this is difficult situation for both County Executive Leggett and the County Council and we thank you for your continued support for Montgomery County and in particular the residents of the Upcounty region.

Sincerely,

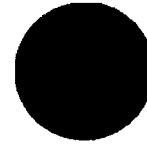
Juan Cardenas, Chair
Upcounty Citizens Advisory Board

cc: Isiah Leggett

Marin, SandraMF
CC
SBF
LL
EHC

From: Reindollar, Skip [wreindollar@mitre.org]
Sent: Tuesday, May 08, 2012 5:07 PM
To: Montgomery County Council
Subject: Bill 17-12 Silver Spring Fire Department Neutral

068299



Dear Council Members,

The Silver Spring Volunteer Fire Department (SSFD), as in 2010, remains neutral on Bill 17-12. SSFD does not support nor is included in the Montgomery County Volunteer Fire Rescue Association as part of its efforts on Bill 17-12. Any Silver Spring member speaking at the hearing or providing written opinion does so as a private citizen.

SSFD continues to focus on serving the residents through the execution of its strategic plan shared with each of the Council Members in September 2011. SSFD intends to maintain and execute its mission through a cooperative fire services delivery approach with the Montgomery County Fire Rescue Service.

Thank you,

Skip Reindollar
President
Silver Spring Volunteer Fire Department

Thank you,

Skip Reindollar

Homeland Security Systems Engineering and Development Institute
The MITRE Corporation
7515 Colshire Drive
McLean, VA 22102-7508
301-651-6060
US-VISIT Office 202-295-5409
wreindollar@mitre.org

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2012 MAY -9 AM 8:33

MITRE is a not-for-profit organization that operates federally funded research and development centers for the government.

STATE QUESTION 3
Constitutional Amendment
Qualifications for Baltimore City Orphans'
Court Judges

Requires judges of the Orphans' Court in Baltimore City to be members in good standing of the Maryland Bar who are admitted to practice law in Maryland.

(Amending Article IV, Section 40 of the Maryland Constitution)

Under the Maryland Constitution, the voters of each county and Baltimore City elect three judges to the Orphans' Court of their respective jurisdictions, with the exception of Montgomery and Harford counties where circuit court judges sit as the Orphans' Court. The judges must be citizens of the State and residents, for the preceding 12 months, in the city or county in which they are elected. The constitutional amendment would add an additional eligibility requirement for judges of the Orphans' Court in Baltimore City, requiring them to be members in good standing of the Maryland Bar who are admitted to practice law in Maryland.

☐

For the Constitutional Amendment

☐

Against the Constitutional Amendment

COUNTY QUESTION A
Referendum on Law Enacted by County
Council
Emergency Medical Services Transport
Fee

Shall the Act to require the collection of an emergency medical services transport (ambulance) fee from: (1) County residents to the extent of the resident's insurance coverage, and (2) non-County residents subject to a hardship waiver become law?

☐

For

☐

Against

← Previous

7 of 7

Cast Ballot →

REFERENDUM PETITION

We, the undersigned registered voters of Montgomery County, Maryland, do hereby petition for a referendum vote on the Bill 13-10, entitled "An Act to (1) authorize the County to impose and collect a fee to recover costs generated by providing emergency medical service transports; (2) provide for a schedule of emergency medical services transport fees, fee waiver criteria, permitted uses of fee revenues, and other procedures to operate the emergency medical services fee program; (3) prohibit a Local Fire and Rescue Department from imposing a separate emergency medical services transport fee; (4) require the Executive to issue certain regulations to implement an emergency medical services transport fee; (5) require a certain annual transfer be made as payment of residents' uninsured portion of the emergency medical services transport fee; and (6) generally amend County law regarding the provision of emergency medical services" enacted by the County Council for Montgomery County, Maryland, at its May 2010 legislative session. (Mont. Co. Code 1985, § 9-14; 1969 L.M.C., ch. 32, § 2.)

If the full text of the bill/ordinance or part of the bill/ordinance referred (the "proposal") does not appear on the back of this signature page or as an attachment, a fair and accurate summary of the substantive provisions of the proposal must appear on the back or be attached, and the full text of the proposal must be immediately available from the petition circulator.

NOTICE TO SIGNERS: Sign and print your name (1) as it appears on the voter registration list OR (2) your surname of registration and at least one full given name AND the initial of any other names. Please print or type all information other than your signature. Post Office Box addresses are not generally accepted as valid. By signing this petition, you agree that the above-mentioned proposal should be placed on the ballot as a referendum question at the next general election and that, to the best of your knowledge, you are registered to vote in Maryland and are eligible to have your signature counted for this petition.

Please Note: The information you provide on this petition may be used to change your voter registration address.

	DATE (mm/dd/yy)	PRINT FULL NAME	VOTER REGISTRATION ADDRESS	CITY	ZIP CODE	DATE OF BIRTH	SIGNATURE, SAME AS PRINTED
1							
2							
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CIRCULATOR'S AFFIDAVIT

FOR ELECTION BOARD USE ONLY	
_____	Total Number of Signatures
_____	Number of Invalidated Signatures
_____	Number of Valid Signatures
Endorsed by: _____	

Individual circulator's printed or typed name _____

Residence Address _____

City _____ State _____ Zip _____

Telephone Number _____

Under penalties of perjury, I swear (or affirm) that: (a) I was at least 18 years old when each signature was obtained; (b) the information given to the left identifying me is true and correct; (c) I personally observed each signer as he or she signed this page; and (d) to the best of my knowledge and belief: (i) all signatures on this page are genuine; and (ii) all signers are registered voters of Maryland.

Circulator's Signature _____ Date (mm/dd/yy) _____

07/08/2010 11:01

4107270861

KARPINSKI COLARESI

PAGE 04/05

56



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

GEORGE LEVENTHAL
COUNCILMEMBER
AT-LARGE

MEMORANDUM

May 9, 2012

TO: Councilmembers

FROM: George L. Leventhal *GL*

SUBJECT: Proposed Charter Amendment on Fire Tax

Dear Colleagues,

Attached are draft amendments to Sections 305 and 306 of the county Charter, which I am proposing as an alternative to the ambulance fee.

The amendment to Charter §305 would remove the fire tax from the charter limit, allowing the fire tax to become the dedicated source of funding for the Fire and Rescue Service. Both the volunteer and career firefighters have expressed support for this proposal.

The proposed amendment to Charter §306 would make conforming changes to reflect revisions in the name and structure of the Fire and Rescue Service, and particularly the fact that the budgets of the former Fire and Rescue Commission (now called the Fire and Emergency Services Commission) and the local fire and rescue departments are now subsumed in the budget of the overall Fire and Rescue Service. These changes to §306 are not substantive and do not affect how any element of the Fire and Rescue Service budget is reviewed and approved.

In order for the voters to consider this question in November, the Council must vote to include it as a ballot question. I am in the process of consulting with the Council President to determine the process we will follow for consideration of this potential ballot question, given that the Charter Review Commission has not recommended any other charter amendments this year.

I welcome your comments and suggestions.

X

Fire Tax – Applicability of Property Tax Revenue Limit

The County Council proposes to amend Sections 305 and 306 of the Charter of Montgomery County as follows:

Sec. 305. Approval of the Budget; Tax Levies.

* * *

By June 30 each year, the Council shall make tax levies deemed necessary to finance the budgets. Unless approved by an affirmative vote of nine[, not seven,] Councilmembers, the Council shall not levy an ad valorem tax on real property to finance the budgets that will produce total revenue that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus a percentage of the previous year's real property tax revenues that equals any increase in the Consumer Price Index as computed under this section. This limit does not apply to revenue from: (1) newly constructed property; (2) newly rezoned property; (3) property that, because of a change in state law, is assessed differently than it was assessed in the previous tax year; (4) property that has undergone a change in use, [and] (5) any development district tax used to fund capital improvement projects, and (6) any fire tax used to fund County fire and rescue services.

Sec. 306. Item Veto or Reduction.

Upon approval of the budget, it shall be delivered within three days to the County Executive, who within ten days thereafter may disapprove or reduce any item contained in it. If the County Executive disapproves or reduces any item in the budget, it shall be returned to the Council with the reasons for the disapproval or reduction in writing. The Council may, not later than June 30 of that year, reapprove any item over the disapproval or reduction of the County Executive by the affirmative vote of six members, except that the affirmative vote of five members shall be required in the case of the budgets of the Council, [the Fire and Rescue Commission,] the Fire [Departments] and Rescue [Squads] Service, the Housing Opportunities Commission, and Montgomery College.

The ballot for this question must be designated and read as follows:

Question X

Charter amendment by act of County Council

Fire Tax – Applicability of Property Tax Revenue Limit

Amend Sections 305 and 306 of the County Charter to exempt any fire tax used exclusively to fund County fire and rescue services from the annual limit on property tax revenue, and update related references.

FOR AGAINST

B 17-12



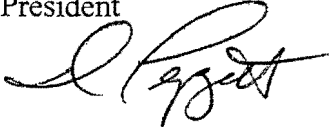
MF
CE
JBP
LL
EMC
Have

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

May 7, 2012

TO: Roger Berliner, County Council President
FROM: Isiah Leggett, County Executive 
SUBJECT: Fire and Rescue Service – Emergency Medical Services – Reimbursement

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2012 MAY -8 PM 12: 25

In response to concerns expressed by members of our community regarding Expedited Bill 17-12, Fire and Rescue Service – Emergency Medical Services – Reimbursement, I am forwarding amendments which clarify the original intent of the bill, establish a Patient Advocate position in the Office of Consumer Protection, and add a monitoring and reporting requirement. I am enclosing a revised draft of the bill that includes each of my requested amendments, which are discussed in more detail below.

Amendment 1: Insurance Reimbursement Program

This amendment modifies the title of the bill to refer to “Fire and Rescue Service – Emergency Medical Services - Insurance Reimbursement” (page 1) and adds language referring to “Emergency Medical Services Insurance Reimbursement Program” (page 3, lines 26-27). Both of these amendments clarify that the bill’s primary purpose is to recover reimbursement from commercial insurers, Medicare, and Medicaid.

Amendment 2: Fire and Rescue Personnel – No Insurance Inquiries

This amendment prohibits Fire and Rescue personnel who respond to a request for emergency medical services transport from asking for any information relating to insurance coverage (page 2, lines 8-10).

Amendment 3: County Residents – No Out-of-Pocket Expenses

This amendment clarifies that County residents will pay no out-of-pocket expenses for an emergency medical services transport (page 3, lines 46-50).

Amendment 4: Non-supplantation

This amendment clarifies that the base year for the non-supplantation clause is FY2012 (page 4, line 67).

Amendment 5: Reporting Requirement

This amendment requires the Fire Chief to report on a semiannual basis to the County Executive and County Council regarding implementation of the bill (page 5, lines 82-90).

Amendment 6: Patient Advocate

This amendment requires that the Office of Consumer Protection employ a Patient Advocate to: (1) develop and implement a program for customer service as a part of the Program; (2) develop and staff a help desk for questions regarding the Program; and (3) serve as a liaison with any vendor retained by the County to implement the program to ensure high quality customer service and prompt resolution of questions and concerns (page 5, lines 91-99).

Amendment 7: Outreach and Education

This amendment requires the implementation of a public outreach and education campaign before and during implementation of the Program which includes:

- Informational mailers to County households;
- Distribution of information through County internet and web-based resources;
- Radio and television public service announcements;
- News releases and news events;
- Information translated into Spanish, French, Chinese, Korean, Vietnamese and other languages, as needed;
- Extensive use of County Cable Montgomery and other Public, Educational, and Government channels funded by the County;
- Posters and brochures made available at County events, on Ride One buses and through Regional Service Centers, libraries, recreation facilities, senior centers, Montgomery County Public Schools, Montgomery College, health care providers, hospitals, clinics, and other venues; and
- Special outreach to senior and "New American" communities (page 6, lines 100-118).

If you have any questions about any of these amendments, please contact Assistant Chief Administrative Officer Kathleen Boucher at 240-777-2593.

FY13 Fire and Rescue System Improvements and Enhancements

In FY13 the EMS Insurance Reimbursement legislation will provide for system improvements with service restoration, apparatus replacement funding, facility maintenance improvements, training and fire and rescue equipment funding.

Service Restoration (\$1.3 million) – A ladder truck in the first battalion will be placed in service with dedicated twenty four hour staffing. (NOTE: This ladder truck was taken out of service because of recent fiscal challenges.)

Apparatus Replacement Funding (\$3.1 million) – In FY13 funding will be provided to purchase 1 tractor drawn ladder truck, 1 Engine Company, and 5 EMS units for system unit response improvements.

Facility Maintenance and Improvements (\$2.3 million) – A strategic facility assessment and subsequent plan for all LFRD and county owned fire and rescue stations will be conducted in FY13 and initial maintenance and repairs to these facilities will commence in FY13 and carry through future fiscal years.

Training (250,000) – System training for career and volunteer personnel to include core fire, rescue, EMS, technical rescue and driver training classes will be conducted in FY13 and carry through future fiscal years.

Fire and Rescue Equipment (\$350,000) – Beginning in FY13 and future fiscal budget years funding to purchase personal protective equipment, portable fire, rescue, technical rescue and EMS equipment for career and volunteer personnel, the training academy and for operational units.

TOTAL = \$7,300,000.00

Amendment 1

Specify allowable uses of EMST funds

Insert (1) on line 65 after Revenue.

Insert after line 70:

- (2) The Fire Chief must create a dedicated fund for the revenues collected from reimbursements under this Program. This fund must only be used for:

Option A increased or enhanced fire and rescue services above the level appropriated in FY13, including new field service positions related to expansion of 4 person staffing or opening of new fire stations; increased training classes or capacity; facility maintenance and repair; new or replacement apparatus, gear, or equipment.

Option A1 (ADD:) Not more than 30% of this fund may be spent for personnel costs.

Option B fire and rescue infrastructure, including equipment, apparatus, and facility construction, renovation, maintenance, or repair. This fund must not be used for personnel costs.

Amendment 2

Allocate part of EMST funds to local fire and rescue departments

Insert after line 70 and Committee amendment on use of funds:

- (3) A percentage of this fund, which the Council must specify annually in the operating budget resolution, must be used to replace or augment apparatus owned and staffed by local fire and rescue departments and training, gear, and equipment for local fire and rescue departments. As part of the Executive's operating budget submission, the Fire Chief must transmit a plan for use of funds designated for local fire and rescue departments. The plan the Chief transmits must specify:
- (A) the amount of the fund the Chief recommends to allocate to replace apparatus that is owned and staffed by local fire and rescue departments in the next fiscal year; and
- (B) the amount of the fund to allocate to training, gear, and equipment for volunteers.

Amendment 3

Prohibit use of public funds to affect referendum

Insert after line 128:

Sec. 4. Use of County Resources.

- (a) Restriction. The County, any officer or employee of the County, or any recipient of County funds through the Fire and Rescue Service, must not pay any County funds (including reimbursement program funds or grant funds received from the County) or use any County employee, contractor, property, equipment, communication medium, or other County resource to support or oppose or otherwise influence voters to approve or reject this Act at a referendum.
- (b) Exceptions.
- (1) This Section does not prohibit spending public funds to convey information to the public about the potential effect of a referendum on County law, policies, or services, if:
 - (A) the information accurately, fairly, and impartially presents relevant facts to assist voters in making an informed decision on the referendum;
 - (B) the communication does not expressly or by implication advocate a position on the referendum; and
 - (C) the information is not presented at a polling place that is open for voting.
 - (2) This Section does not prohibit a County officer or employee or a recipient of County funds, acting within the scope of that person's routine official duties, from publicly advocating the approval or rejection of this Act at a referendum.

- (3) This Section does not prohibit a County officer or employee or a recipient of County funds from taking any action to influence the approval or rejection of this Act at a referendum if that person is:
- (A) off duty;
 - (B) not wearing a County uniform (including a uniform of any element of the County Fire and Rescue Service); and
 - (C) not otherwise identifiable as a County or Fire and Rescue Service officer or employee.